

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
1900 PRICE ROAD • BROWNSVILLE, TEXAS 78520



COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011

# **Brownsville Independent School District**

**Brownsville, Texas**



## **Comprehensive Annual Financial Report**

**For**

**Fiscal Year Ended June 30, 2011**

**Prepared by: The Division of Finance**





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## **INTRODUCTORY SECTION**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2011

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**Brownsville Independent  
School District  
1900 Price Road  
Brownsville, Texas 78521  
Telephone: (956) 548-8000**



October 24, 2011

Ms. Caty Presas-Garcia, President  
Members of the Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas 78521

**BOARD OF EDUCATION**

Caty Presas-Garcia  
*President*  
Dr. Enrique Escobedo, Jr.  
*Vice President*  
Minerva M. Peña  
*Secretary*  
Dr. Christina L. Saavedra  
*Assistant Secretary*  
Rolando Aguilar  
*Member*  
Joe Colunga  
*Member*  
Luci B. Longoria  
*Member*

Dr. Cari A. Montoya  
*Interim Superintendent*

Dear Ms. Presas-Garcia and Members:

State law requires that all public school districts publish within one-hundred fifty days of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Brownsville Independent School District (District) for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the

best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Patillo, Brown & Hill, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimated made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special need of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of federal financial assistance, the independent auditors' reports on the internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the Single Audit Section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The District is a political subdivision of the State of Texas and governed and operating as an independent school district under the laws thereof. The District, originally chartered by the State in March 1915, now encompasses ninety-five square miles in Cameron County, Texas.

The District is governed by a seven-member Board of Trustees (Board) composed of District residents, who are elected by voters of the district. The Board is responsible for managing and governing the schools of the District, including adopting goals and objectives for the District, reviewing and acting on policies, adopting an annual budget, levying and collecting District taxes, hiring school personnel as recommended by the superintendent, approving salary schedules, adopting District policies and setting directions for curriculum, and reporting to the public on the District's progress. The District's Superintendent of Schools

and staff assist the Board with financial and administrative matters and oversee the day-to-day operations of the District.

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through twelve for its approximate 49,500 students. These include regular and enriched academic education, special education for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency and specialized instruction for disadvantaged students. These basic programs are supplemented by additional offerings in the fine arts and athletics. In addition, the District provides for community and adult education by offering a wide variety of academic and occupational courses.

The annual budget serves as the foundation for the District's financial planning and control. The District's fiscal year begins July 1<sup>st</sup> and ends June 30<sup>th</sup>. The budget is initially prepared under the direction of the Superintendent. The Board reviews the budget during workshops conducted from March through May. The final budget is required by State law to be adopted by June 30<sup>th</sup>. The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board.

Activities of the general fund, the debt service fund, food service fund (which is included in the general fund) and designated purpose funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major functional category.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the food service fund, this comparison is presented on Exhibit C-5, as required supplementary information. The TEA required budget versus actual comparison for the child nutrition program can be found on Exhibit J-4 and the debt service fund comparison is presented on Exhibit J-5.

### **Factors Affecting Financial Conditions**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

**Local Economy** – The District serves the City of Brownsville, a portion of the Township of Rancho Viejo and several unincorporated areas in Cameron County including Cameron Park and San Pedro. Brownsville is the population and economic center of the expanding lower Rio Grande Valley. The area economy is largely driven by manufacturing reflecting its location across from Matamoros, Mexico and extensive transportation network (including the Port of Brownsville).

The city's low cost of living and doing business support continued economic growth, and a growing healthcare and education sector, including a branch of the University of Texas, contributes to the stability of the region. The potential for prolonged manufacturing stress

coupled with the shortcomings of a relatively low-skilled labor force and vulnerabilities in Mexico's economic outlook are concerns inherent to the local economy.

**Construction** - In this fiscal year Veterans Memorial High School and Edward Manzano Middle School were completed and opened their doors to BISD students. Construction continued on Daniel Breeden Elementary School. These projects are part of the \$135 million 2006 construction bonds and the 2009 Qualified School Construction Bonds, respectively.

During December 2010 additional Qualified School Construction Bonds (QSCB) were issued in the amount of \$22.7 million and construction started on Brownsville Early College High School, Brownsville Academic Center, Hanna High School Fine Arts Instructional Facility, and Porter High School Instructional Facility. The bonds qualified for the Texas Education Agency's Instructional Facilities Allotment (IFA), thus the state will pay sixty-nine percent of debt requirements while the district will pay the remaining thirty-one percent.

**District Long-term Financial Planning** – Growth in the district's tax base has continued but at a much slower pace, averaging 1% annual growth from fiscal years 2008-11. The district's fiscal 2011 taxable assessed valuation (TAV) grew marginally to \$4.7 billion. Average daily attendance has grown at less than 1% average annual growth and is expected to continue at this pace in the near term. Typical for the border area, the city's unemployment rate is high (12.7% in August 2011) and income levels are very low. Projected membership for school year 2010-11 is expected to reach 49,900.

The District's maintenance and operations tax rate for tax year 2010-2011 is \$1.019100 per \$100 valuation and the Debt Service rate is \$0.073200 for a total tax rate of \$1.0923. FY 2010-2011 will be the fourth year for the District to continue using the same overall tax rate. Any increase in property tax revenues are the result of increased property values.

State funding for the general fund is about 77.07% of the total general fund revenue and is estimated to decrease for the next two to four years. This funding is driven mainly by student attendance.

The State Fiscal Stabilization Fund of 2010 provided the district with additional funds. The Brownsville Independent School District was allocated \$14.8 million. During fiscal year 2010-2011 the district received and expended \$14,862,560 of its budgeted amount of \$14,862,561. Grant funding plays an important role as a resource to supplement regular funding and to expand programs needed for greater academic achievement.

The district's ongoing project of scanning and imaging of all documents has eliminated much of the paperwork that is currently kept in file rooms. The two pilot departments, Records Management Department and the Finance Department, have procured scanners and have made the transition to a paperless work environment.

**Cash Management Policies and Practices** – The District is required to execute a depository agreement with a banking institution for a period of two years. Competitive bidding is mandated and state law sets general terms. The District's investment policy is to minimize



credit and market risks while maintaining a competitive yield on its portfolio. All deposits were secured by the Federal Deposit Insurance Corporation (FDIC) and by pledged securities. All investments must be in compliance with the guidelines set by the Public Funds Investments Act. The act set the type of investments governmental entities can make. The District has an active cash management program in prudently investing available cash. Cash temporarily idle during the year was invested in pool investments. The District has investments in the TexPool, Texas Term Daily, Texas Term Fixed, MBIA Texas Class Investment and Lone Star Liquidity Plus Fund investment pools.

**Risk Management** – The District is self-funded with regard to the majority of medical and worker compensation benefits provided to employees. Both self-funded programs are administered by external administrators whose primary function is to settle claims. The District's Risk Management Office monitors activities performed by these external administrators. The District in cooperation with the Workers Compensation Plan administrator initiated an Accident Prevention Program. The program implements various risk control techniques to minimize accident-related losses.

**Financial Polices** – As a result of the state of the national, state and local economies, the District is constantly monitoring its financial resources and expenditures. The Brownsville Independent School District, like many other school districts, is constantly looking for grants, windows for refunding bonds, monitoring investment rates and other potential sources of funds.

A Cost Reduction Committee, comprised of administrators, campuses personnel and an employee association representative, was formed to formulate strategies for reducing costs. Some items that were discussed and implemented in the 2010-2011 budget were: consolidation of bus routes for students participating extracurricular practice, charging for the actual cost of transporting students for non home-to-school trips, minimizing field trips, scrutinizing expenditures for food, etc.

Due to the forecasted state budget deficit and in anticipation of no growth in state funding, the District elected to forego pay raises for all employees for fiscal year 2011-2012. This action was part of discussions and recommended by the Cost Reduction Committee.

**Pension Plan** – The District contributes to the Teacher Retirement System of Texas (TRS), a public employee, cost-sharing multiple employer defined benefit pension plan. Under this plan, all risks and costs are not shared by the District but are a liability of the State of Texas. Additional information on the District's pension arrangements can be found in Note J of in the Notes to the Financial Statements.

## **Awards**

**Association of School Business Officials International (ASBO)** – At June 30, 2010, the District compiled and submitted a Comprehensive Annual Financial Report (CAFR) for consideration for ASBO's Certificate of Achievement for Excellence in Financial Reporting.

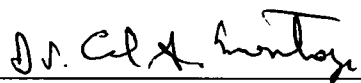
The District was notified that it had been awarded the certificate in the summer of 2011. This was the third time the District had submitted its financial statements for this award.

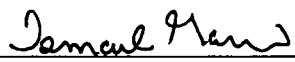
**Government Finance Officers Association (GFOA)** - At June 30, 2010, the District compiled and submitted a Comprehensive Annual Financial Report (CAFR) for consideration for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The District was notified that it had been awarded the certificate during the summer of 2011. This was the third time the District had submitted its financial statements for this award.

**Schools FIRST** - Senate Bill 218 of the 77<sup>th</sup> Legislature (2001) authorized the implementation of a financial accountability rating system for Texas school districts. The primary goal of the Schools FIRST is to improve the management of school districts' financial resources. The Brownsville Independent School District achieved a "Superior" rating for the Texas Education Agency's Financial Integrity Rating System of Texas (FIRST). This is the ninth consecutive year the district has been able to achieve the highest possible rating.

**Acknowledgements** – The preparations of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the various departments within the Chief Financial Officer's cluster. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

  
\_\_\_\_\_  
Dr. Carl A. Montoya  
Interim Superintendent of Schools

  
\_\_\_\_\_  
Mr. Ismael Garcia  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Brownsville  
Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davidson*

President

*Jeffrey R. Emer*

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**  
**For its Comprehensive Annual Financial Report (CAFR)**  
For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

A handwritten signature in cursive script, appearing to read "Chuck Zimmerman".

President

A handwritten signature in cursive script, appearing to read "John D. Messer".

Executive Director

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**  
Brownsville, Texas

**LIST OF PRINCIPAL OFFICIALS**

For The Year Ended June 30, 2011

**BOARD OF TRUSTEES**

Caty Presas-Garcia – President

Enrique Escobedo Jr. – Vice-President

Minerva M. Pena – Secretary

Dr. Christina L. Saavedra – Assistant Secretary

Rolando Aguilar – Member

Joe Colunga – Member

Luci B. Longoria - Member

**ADMINISTRATORS**

Dr. Carl A. Montoya, Interim Superintendent

Dr. Sylvia P. Atkinson, Interim Assistant Superintendent of Human Resources

Berta Pena, Assistant Superintendent of Curriculum and Instruction

Carlos Guerra, Assistant Superintendent of Operations

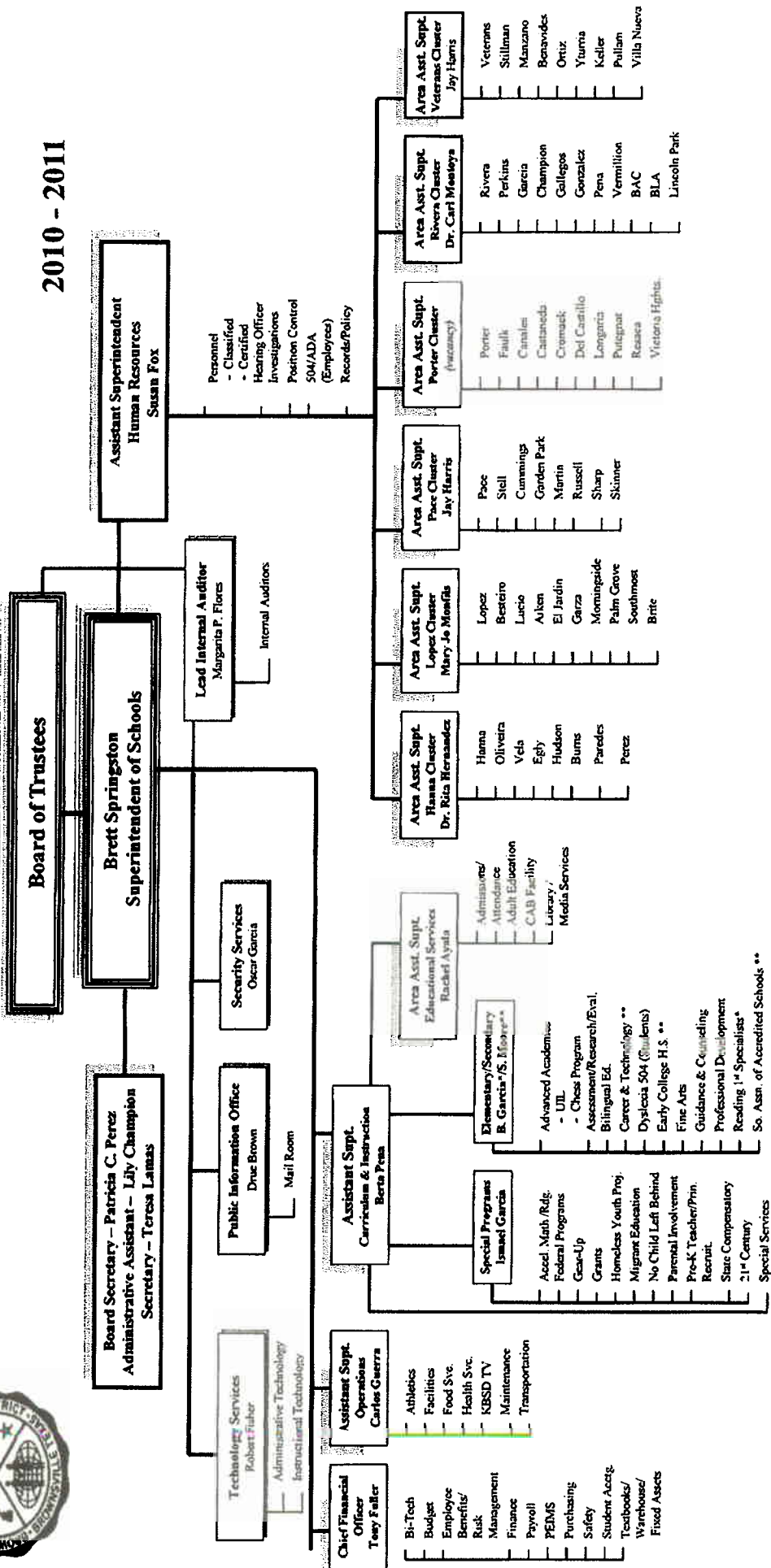
Ismael Garcia, Interim Chief Financial Officer





# Brownsville Independent School District

2010 - 2011



Revised – 01/03/11 Superintendent's Office

BISD does not discriminate on basis of race, color, national origin, sex, religion, age or disability in employment or provision of services, programs or activities.  
BISD no discrimina a base de raza, color, origen nacional, sexo, religion, edad o discapacidad en el empleo en la provision de servicios o actividades.

### CERTIFICATE OF BOARD

Brownsville Independent School District  
Name of District

Cameron  
County

031-901  
Co. Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)   X   approved        disapproved for the year ended June 30, 2011 at a meeting of the Board of Trustees of such school district on the   13th   day of   December  , 2011.

Christina R. Luavedra, EDD  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President



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## **FINANCIAL SECTION**



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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brownsville Independent School District (the "District") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Brownsville Independent School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section, other supplementary information, required Texas Education Agency ("TEA") schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, required TEA schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statement. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Patricia Brown Hill, C.P.A.*

October 24, 2011



Brownsville Independent School District  
1900 Price Road  
Brownsville, Texas 78521

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

This section of Brownsville Independent School District's comprehensive financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2011. Please read it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

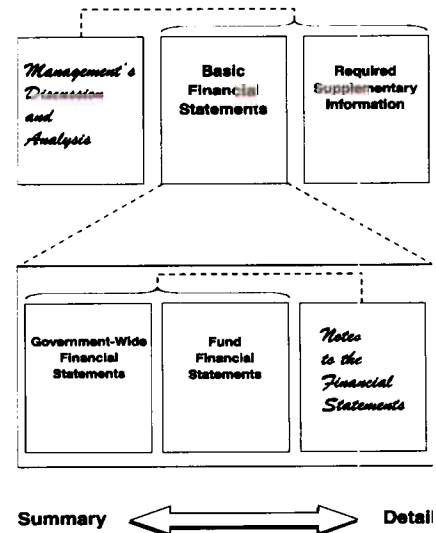
- At June 30, 2011 the District's assets exceed its liabilities by \$363,846,783. Total assets were \$685,948,510 and total liabilities were \$322,101,727. (Exhibit A-1)
- During 2010-2011 fiscal period, the District's district-wide revenues were \$504,506,074, whereas, total district-wide expenses were \$521,029,990 resulting in a (\$16,523,916) change in net assets (Exhibit B-1). At the end of fiscal year 2009-2010, the District incurred a (\$24,942,595) change in net assets.
- The general fund reported a fund balance this year of \$99,312,956. Fund balance for the general fund at June 30, 2010 was \$117,581,115, for a decrease of (\$18,268,159). General fund expenses exceeded revenues by \$39,917,271. Last year's total revenues were \$377,885,335 whereas this year's total revenues were \$396,529,575, resulting in an increase of \$ 18,644,240 (Exhibit C-3).

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as catering.

**Figure A-1, Required Components of the District's Comprehensive Financial Report**



- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

## GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

| Type of Statements                     | Fund Statements  |  |  |  |
|--|--|--|--|--|
|  | Government-wide  | Governmental Funds   | Proprietary Funds  | Fiduciary Funds  |
| Scope                                  | Entire Agency's government (except fiduciary funds) and the Agency's component units | The activities of the district that are not proprietary or fiduciary   | Activities the district operates similar to private businesses: self insurance       | Instances in which the district is the trustee or agent for someone else's resources   |
| Type of Information                    |  | • Balance sheet  | • Statement of net assets  | • Statement of fiduciary net assets  |
|  |  | • Statement of revenues, expenditures & changes in fund balances   | • Statement of revenues, expenses and changes in fund net assets                     | • Statement of changes in fiduciary net assets   |
|  |  |  | • Statement of cash flows  |  |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus                                      | Modified accrual accounting and current financial resources focus  | Accrual accounting and economic resources focus                                      | Accrual accounting and economic resources focus  |
| Type of Information                    | All assets and liabilities, both financial and capital, short-term and long-term     | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included  | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can |
| Type of inflow/outflow information     | All revenues and expenses during year, regardless of when cash is received or paid   | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid   | All revenues and expenses during year, regardless of when cash is received or paid   |

The two government-wide statements report the District's net assets and how they have changed. Net assets—the difference between the District's assets and liabilities—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base, average daily membership and average daily attendance.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets. The District's combined net assets were \$363,846,783 at June 30, 2011. (See Table A-1 disclosed in thousands of dollars).

| <b>Current Assets</b>         | <b>Governmental<br/>Activities</b> |             | <b>Total %<br/>Change</b> |
|-------------------------------|------------------------------------|-------------|---------------------------|
|                               | <b>2010</b>                        | <b>2011</b> | <b>2010-2011</b>          |
| Cash and Cash<br>Equivalents  | \$ 4,325                           | \$ 4,108    | -5.0%                     |
| Investments                   | 172,116                            | 140,839     | -18.2%                    |
| Property Taxes<br>Receivable  | 11,953                             | 12,063      | 0.9%                      |
| Due From Other<br>Governments | 40,630                             | 46,742      | 15.0%                     |
| Accrued Interest              | 34                                 | 45          | 32.9%                     |
| Due From Fiduciary<br>Funds   | 7                                  | 0           | -100.0%                   |
| Other Receivables<br>(Net)    | 9,654                              | 8,945       | -7.3%                     |
| Inventories, At Cost          | 4,893                              | 4,423       | -9.6%                     |
| Debt Issuance Costs           | 3,348                              | 3,126       | -6.6%                     |



|                                       |                   |                   |              |
|---------------------------------------|-------------------|-------------------|--------------|
| Land                                  | 27,594            | 27,598            | 0.0%         |
| Buildings, Furniture,<br>Equip. (Net) | 298,454           | 363,264           | 21.7%        |
| Construction in<br>Progress           | 124,007           | 74,794            | -39.7%       |
| <b>Total Assets</b>                   | <b>\$ 697,015</b> | <b>\$ 685,949</b> | <b>-1.6%</b> |
| <b>Current Liabilities</b>            |                   |                   |              |
| Accounts Payable                      | \$ 40,804         | \$ 32,917         | -19.3%       |
| Interest Payable                      | 0                 | 0                 | 0.0%         |
| Payroll Deductions                    | 10,082            | 7,886             | -21.8%       |
| Accrued Wages<br>Payable              | 28,849            | 28,529            | - 1.1%       |
| Due to Fiduciary<br>Funds             | 187               | 159               | -15.1%       |
| Due to Other<br>Governments           | 9,185             | 9,100             | -0.9%        |
| Due to Student<br>Groups              | 210               | 56                | -73.6%       |
| Accrued Expenses                      | 34                | 29                | -14.7%       |
| Deferred Revenues                     | 6,300             | 11,899            | 88.9%        |
| <b>Noncurrent Liabilities</b>         |                   |                   |              |
| Due Within One<br>Year                | 9,545             | 10,985            | 15.1%        |
| Due In More Than<br>One Year          | 207,459           | 220,542           | 6.3%         |
| <b>Total Liabilities</b>              | <b>\$ 312,655</b> | <b>\$ 322,102</b> | <b>3.0%</b>  |
| <b>Nets Assets</b>                    |                   |                   |              |
| Invested In Capital<br>Assets         | 252,449           | 239,342           | -5.2%        |
| Restricted                            | 47,228            | 50,583            | 7.1%         |
| Unrestricted                          | 84,683            | 73,922            | -12.7%       |
| <b>Total Net Assets</b>               | <b>\$384,360</b>  | <b>\$363,847</b>  | <b>-5.3%</b> |

The restricted fund balance amount of \$50.5 million (Table A-2) is comprised of the following:

**Table A-2**  
**Summary of Restricted Fund Balance**

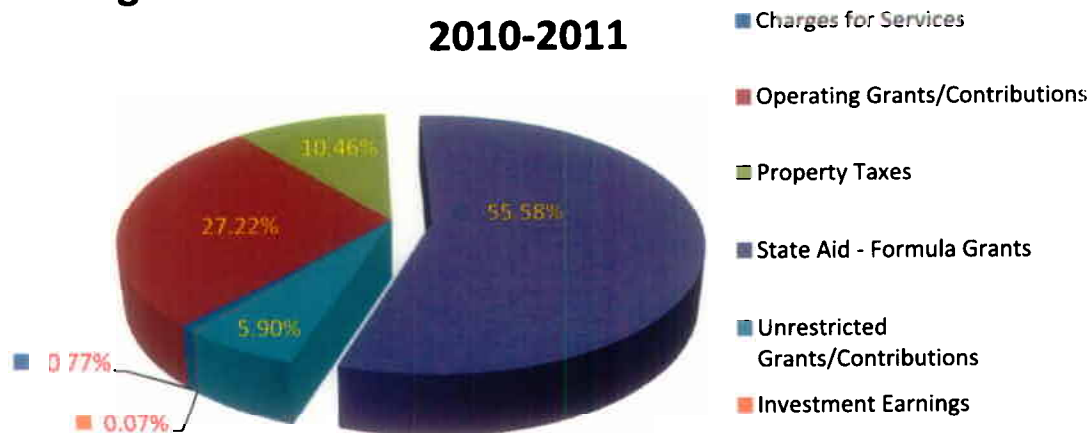
| <u>Description</u>                      | <u>Amount</u>        |
|---|----------------------|
| Restricted - Federal and State Programs | \$ 11,768,114        |
| Restricted - Debt Service               | 5,027,732            |
| Restricted - Capital Projects           | 5,074,658            |
| Restricted - Other Purposes             | 28,712,259           |
| Total                                   | <u>\$ 50,582,763</u> |

**CHANGES IN NET ASSETS:** The District's total revenues were \$504,506,074. Revenues from property taxes were 10.45% of the District's revenue (See Figure A-3). State aid and other formula grants account for 55.52% of revenues. Only 0.77% relates to charges for services.

**Summary of Revenues Figure A-3**

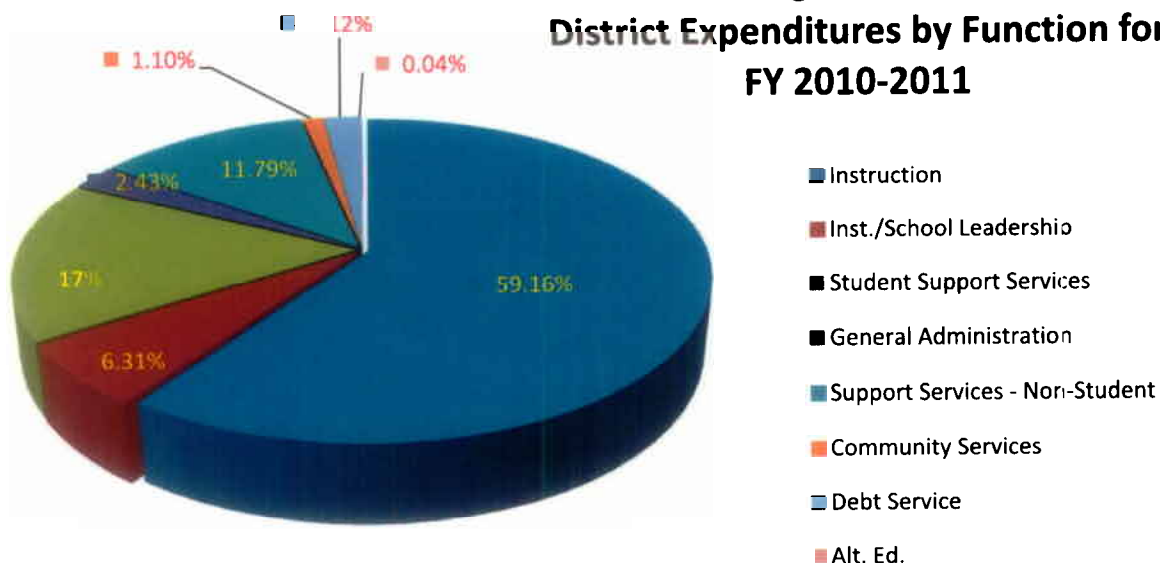
| <u>Description</u>         | <u>Amount</u>         | <u>Percent</u> |
|----------------------------|-----------------------|----------------|
| Charges for Services       | \$ 3,865,841          | 0.77%          |
| Operating                  |                       |                |
| Grants/contributions       | 137,170,598           | 27.19%         |
| Property Taxes             | 52,728,763            | 10.45%         |
| State Aid - Formula Grants | 280,086,312           | 55.52%         |
| Unrestricted               |                       |                |
| Grants/Contributions       | 29,720,120            | 5.89%          |
| Investment Earnings        | 327,543               | 0.06%          |
| Misc. Local & Int. Rev.    | 606,897               | 0.12%          |
|                            | <u>\$ 504,506,074</u> | <u>100.00%</u> |

**Figure A-3 District Sources of Revenues for FY  
2010-2011**



The total cost of all programs and services was \$521,029,990. Eighty-three percent of these costs were for instructional and other student services, such as transportation, food services, health services, extracurricular activities, etc. The remaining seventeen percent in costs were for general administration, security services; maintenance, computer services, debt service, etc. (Figure A-3a).

**Figure A-3a**  
**District Expenditures by Function for**  
**FY 2010-2011**



#### Governmental Activities

- The district's total property tax rate remained the same at \$1.0923 per \$100 of property valuation. The Maintenance and Operations tax rate was set at \$1.019100 per \$100/property valuation and the debt service rate was set at \$0.073200. The beginning tax levy for FY 2009-2010 was \$53,382,448, whereas the beginning tax levy for FY 2010-2011 was \$53,617,670. Total tax revenues were \$52,728,763 (Exhibit B-1 in Comprehensive Annual Financial Report), whereas last year's tax revenues were \$54,821,962 resulting in a \$2,093,199 (3.97%) decrease in tax revenues.

**Table A-3**  
**Summary of Tax Rates, Tax Levies and Tax Collections**

|                          | 2009-2010          | 2010-2011          | % Change     |
|--------------------------|--------------------|--------------------|--------------|
| <b>Tax Rates</b>         |                    |                    |              |
| Maintenance & Operations | \$ 1.012273        | \$ 1.019100        | 0.67%        |
| Debt Service             | 0.080027           | 0.073200           | -8.53%       |
|                          | <u>\$ 1.092300</u> | <u>\$ 1.092300</u> | <u>0.00%</u> |
| <b>Tax Levies</b>        |                    |                    |              |
| Beginning Tax Levy       | \$ 53,382,448      | \$ 53,617,670      | 0.44%        |
| <b>Tax Collections</b>   |                    |                    |              |
| Tax Collections          | \$ 54,821,962      | \$ 52,728,763      | -3.97%       |

**Table A -4**  
Brownsville Independent School District  
Changes in Net Assets  
(In Thousands Dollars)

|                                    | <b>Governmental<br/>Activities</b> |                    | <b>Total %<br/>Change</b> |
|------------------------------------|------------------------------------|--------------------|---------------------------|
| <b><u>Program Revenues</u></b>     | <b><u>2010</u></b>                 | <b><u>2011</u></b> | <b><u>2010-2011</u></b>   |
| Charges for Services               | \$ 3,330                           | \$ 3,866           | 16.10%                    |
| Operating Grants and Contributions | 98,593                             | 137,171            | 39.13%                    |
| <b><u>General Revenues</u></b>     |                                    |                    |                           |
| Property Taxes                     | 54,822                             | 52,729             | -3.82%                    |
| Investment Earnings                | 576                                | 328                | -43.06%                   |
| State Foundation and Other         | 320,942                            | 309,806            | -3.47%                    |
| Miscellaneous                      | -                                  | 607                | 100.00%                   |
| <b>Total Revenues</b>              | <b>\$ 478,263</b>                  | <b>\$ 504,507</b>  | <b>5.49%</b>              |
| <b><u>Expenses</u></b>             |                                    |                    |                           |
| Instruction                        | 280,044                            | 283,753            | 1.32%                     |
| Instr. Resources/Media services    | 9,092                              | 9,145              | 0.58%                     |
| Instr. Staff Development           | 15,554                             | 19,506             | 25.41%                    |
| Instructional Leadership           | 8,002                              | 7,835              | -2.09%                    |
| School Leadership                  | 24,552                             | 25,044             | 2.00%                     |
| Guidance and Counseling            | 18,235                             | 18,254             | 0.10%                     |
| Social Work Services               | 765                                | 766                | 0.13%                     |
| Health Services                    | 5,427                              | 5,706              | 5.14%                     |
| Student Transportation             | 14,715                             | 13,510             | -8.19%                    |
| Food Services                      | 30,063                             | 29,765             | -0.99%                    |
| Co-Extra Curricular Activities     | 10,085                             | 16,653             | 65.13%                    |
| General Administration             | 12,138                             | 12,670             | 4.38%                     |
| Maintenance/Operations             | 50,389                             | 51,408             | 2.02%                     |
| Security Services                  | 5,905                              | 6,351              | 7.55%                     |
| Data Services                      | 2,908                              | 3,661              | 25.89%                    |
| Community Services                 | 5,271                              | 5,750              | 9.09%                     |
| Debt - Interest on LTD             | 9,801                              | 10,357             | 5.67%                     |
| Debt - Bond Issuance/Fees          | 32                                 | 687                | 2046.88%                  |
| Alternative Ed. Prog.              | 228                                | 209                | -8.33%                    |
| <b>Total Expenses</b>              | <b>\$ 503,206</b>                  | <b>\$ 521,030</b>  | <b>3.54%</b>              |

|  |             |             |         |
|--|-------------|-------------|---------|
| Excess (Deficiency) Before<br>Other Resources & Uses | \$ (24,943) | \$ (16,524) | -33.75% |
| Net Assets - Beginning                               | \$ 410,979  | \$ 384,360  | -6.48%  |
| Prior Period Adjustment                              | (1,676)     | (3,990)     | 138.07% |
| Increase/(decrease) in Net<br>Assets                 | \$ (24,943) | (16,524)    | -33.75% |
| Net Assets - Ending                                  | \$ 384,360  | \$ 363,846  | -5.34%  |

Table A-5 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$521,029,990.
- The amount that our taxpayers paid for these activities through property taxes was \$52,728,763 (10.12%).
- Some of the cost was paid by those who directly benefited from the programs \$3,865,841, or by grants and contributions \$137,170,598.

**Table A-5**  
**Net Cost of District Functions**  
**(In Millions of Dollars)**

|                            | Total Cost of Services |                 |              | Net Cost of Services |                   |               |
|----------------------------|------------------------|-----------------|--------------|----------------------|-------------------|---------------|
|                            | 2010                   | 2011            | %<br>Change  | 2010                 | 2011              | %<br>Change   |
| Instruction                | \$ 304.7               | \$ 312.4        | 2.53%        | \$ (222.2)           | \$ (226.6)        | 1.98%         |
| School Administration      | 32.6                   | 32.9            | 0.92%        | (28.4)               | (28.6)            | 0.70%         |
| Student Support            | 79.3                   | 84.7            | 6.81%        | (71.2)               | (46.8)            | -34.27%       |
| General Administration     | 12.1                   | 12.7            | 4.96%        | (11.6)               | (12.1)            | 4.31%         |
| Support Svcs – Non Student | 59.2                   | 61.4            | 3.72%        | (57.1)               | (58.8)            | 2.98%         |
| Community Services         | 5.5                    | 6.5             | 18.18%       | (0.9)                | (1.7)             | 88.89%        |
| Capital Outlay             | 0.0                    | 0.0             | 0.00%        | (0.00)               | (5.0)             | 100%          |
| Debt Service               | 9.8                    | 10.4            | 6.12%        | (9.8)                | (10.4)            | 6.12%         |
|                            | <u>\$ 503.2</u>        | <u>\$ 521.0</u> | <u>3.54%</u> | <u>\$ (401.2)</u>    | <u>\$ (380.2)</u> | <u>-5.28%</u> |

#### **Business-type Activities**

The District does not have any business-type activities.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Revenues from Summary of Activities governmental fund types totaled \$504,506,074, an increase of \$26,242,710 (5.49%) more than the preceding year (Table A-6).

**Table A-6**  
**Summary of Revenues**

|                                | <b>FY 09-10</b>      | <b>FY 10-11</b>    | <b>Change</b>        | <b>%<br/>Change</b> |
|--------------------------------|----------------------|--------------------|----------------------|---------------------|
| Local Revenues (C-3)           | \$ 58,457,889        | 57,871,896         | \$ (585,993)         | -1.00%              |
| State Program Revenues (C-3)   | 313,301,630          | 328,339,407        | 15,037,777           | 4.80%               |
| Federal Program Revenues (C-3) | 106,233,585          | 118,637,623        | 12,404,038           | 11.68%              |
| Total Revenues (C-3)           | <u>\$477,993,104</u> | <u>504,848,926</u> | <u>\$ 26,855,822</u> | <u>5.62%</u>        |

**Reconciling Amounts**

|   |                      |                       |                      |              |
|---|----------------------|-----------------------|----------------------|--------------|
| Reclassifications To Expenditures (B-1/C-3) | (45,255,826)         | (26,695,111)          | 18,560,715           | -41.01%      |
| Sale of Property (C-3)                      | -                    | -                     | -                    | 0.00%        |
| Other Resources (C-3)                       | 22,786,260           | 33,333,785            | 10,547,525           | 46.29%       |
| Other Uses (C-3)                            | (10,466,260)         | (7,563,785)           | 2,902,475            | -27.73%      |
| ExtraOrdinary Item (C-3)                    | -                    | -                     | -                    | 0.00%        |
| Agency Funds (C-2/C-4)                      | (140,276)            | (350,301)             | (210,025)            | 149.72%      |
| Current Year Capital Outlay (C-2/C-4)       | 44,431,819           | 24,465,396            | (19,966,423)         | -44.94%      |
| Depreciaton (C-2/C-4)                       | (14,865,534)         | (23,704,008)          | (8,838,474)          | 59.46%       |
| Misc. Reconciling Items (C-2/C-4)           | 3,780,077            | 171,172               | (3,608,905)          | -95.47%      |
| Total Revenues (B-1)                        | <u>\$478,263,364</u> | <u>\$ 504,506,074</u> | <u>\$ 26,242,710</u> | <u>5.49%</u> |

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the district revised its general fund budget twenty times. Eight amendments were for carryover purchase order re-appropriations \$26,135,105; seven were for additional funding \$32,156,341 with the remaining five for budget increases from fund balance \$12,179,042. (Table A-6a).

**Summary of General Fund Budgets - Adopted vs Final**  
**Table A-6a**

|                     | <b>Object<br/>Code</b> | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Change</b>        |
|---------------------|------------------------|----------------------------|-------------------------|----------------------|
| Salaries/Wages      | 6100                   | \$ 324,081,893             | \$ 328,674,418          | \$ 4,592,525         |
| Contracted Services | 6200                   | 27,572,809                 | 30,041,661              | 2,468,852            |
| Supplies            | 6300                   | 28,794,018                 | 34,556,967              | 5,762,949            |
| Operating Expenses  | 6400                   | 13,968,180                 | 14,977,651              | 1,009,471            |
| Debt Service        | 6500                   | 2,181,810                  | 5,519,957               | 3,338,147            |
| Capital Outlay      | 6600                   | 5,090,773                  | 58,389,317              | 53,298,544           |
|                     |                        | <u>\$ 401,689,483</u>      | <u>\$ 472,159,971</u>   | <u>\$ 70,470,488</u> |

General fund actual expenditures were \$35,713,125 below final budget amounts. Much of the overall favorable variance may be attributed to capital outlay budget expenditures not materializing during the fiscal year. Actual expenditures were

\$35.7 million below budget. This favorable variance is the result of the District administration's aggressive spending restraints and planning for the district's future in an uncertain economy.

Please refer to Table A-7 for a listing of budget versus actual variances at June 30, 2011.

| <b>Description</b>  | <b>Object</b> | <b>Final Budget</b>   | <b>Actual</b>         | <b>Variance</b>      |
|---------------------|---------------|-----------------------|-----------------------|----------------------|
| Salaries/Wages      | 6100          | \$ 328,674,418        | \$ 325,512,715        | \$ 3,161,703         |
| Contracted Services | 6200          | 30,041,661            | 25,994,490            | 4,047,171            |
| Supplies            | 6300          | 34,556,967            | 33,356,105            | 1,200,862            |
| Other Operating     | 6400          | 14,977,651            | 12,040,050            | 2,937,601            |
| Debt Service        | 6500          | 5,519,957             | 5,517,339             | 2,618                |
| Capital Outlay      | 6600          | 58,389,317            | 34,026,147            | 24,363,170           |
| Total               |               | <u>\$ 472,159,971</u> | <u>\$ 436,446,846</u> | <u>\$ 35,713,125</u> |

The General Fund experienced a shortfall of \$6,286,393 in available resources below the final budgeted amount. Please refer to Table A-8. Below are some of the factors affecting budgeted revenues:

- The student enrollment projections used for the FY 2010-2011 original adopted budget did not materialize; this resulted in less state revenues in State Compensatory, State Vocational, State Special Education and State Foundation revenues. (\$8,497,661).
- General Fund investment income was budgeted at \$2,651,441, while only \$299,486 materialized, resulting in a (\$2,351,955) budget shortfall for local revenues.
  - Interest rates on investments were at less than 1.00% throughout the year.
- General Fund tax revenues were budgeted for \$53,812,707, however, total amounts realized was \$48,288,136 causing the district to experience a (\$5,524,571) revenue budget shortfall.
- Federal revenues were budgeted for \$27,418,305, while \$37,222,952 was recognized during FY 10-11, resulting in an overage of \$9,804,647.
  - The SHARS program was a major contributor to the overage in federal revenues. The federal revenues were budgeted at \$541,421 and the actual amount received was \$6,021,442, resulting in a \$5,480,021 overage.
  - Total Child Nutrition Program revenues exceeded budget by \$3,361,117. Budgeted amount was \$26,066,884 and actual revenues were \$29,428,001.

**Table A-8**  
**General Fund Revenues - Budget Vs. Actual (Exhibit C-5)**

| <b>Description</b> | <b>Object</b> | <b>Final Budget</b>   | <b>Actual</b>         | <b>Change</b>         |
|--------------------|---------------|-----------------------|-----------------------|-----------------------|
| Local              | 5700          | \$ 61,828,792         | \$ 54,235,413         | \$ (7,593,379)        |
| State              | 5800          | 313,568,871           | 305,071,210           | (8,497,661)           |
| Federal            | 5900          | <u>27,418,305</u>     | <u>37,222,952</u>     | <u>9,804,647</u>      |
| Total              |               | <u>\$ 402,815,968</u> | <u>\$ 396,529,575</u> | <u>\$ (6,286,393)</u> |



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### CAPITAL ASSETS

At the end of 2011, the District had invested \$656,772,798 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-9). This amount represents a net increase (including additions and deductions) of \$39,084,963 or 6.31% percent over last year.

| <b>Capital Assets</b><br><b>( In millions of dollars )</b> |                            |             |                                   |
|--|----------------------------|-------------|-----------------------------------|
|  | Governmental<br>Activities |             | Total<br>Percentage<br><br>Change |
|  | <u>2010</u>                | <u>2011</u> | <u>2010-2011</u>                  |
| Land   | 27.60                      | 27.60       | 0.00%                             |
| Buildings and Improvements                                 | 426.50                     | 512.90      | 20.26%                            |
| Vehicles   | 23.90                      | 24.10       | 0.84%                             |
| Equipment  | 15.70                      | 17.40       | 10.83%                            |
| Construction in Progress                                   | 124.00                     | 74.80       | -39.68%                           |
| Total at Historical cost                                   | 617.70                     | 656.80      | 6.33%                             |
| <br>Total Accumulated<br>Depreciation                      | <br>167.60                 | <br>191.10  | <br>14.02%                        |
| <br>Net capital assets                                     | <br>450.10                 | <br>465.70  | <br>3.47%                         |

The District's fiscal year 2011 capital projects spending (Function 81) of \$37,181,974 was principally for the construction of the new bond and locally funded high school, middle school, three elementary schools, various wing additions, Brownsville Early College High School, Brownville Academic Center, Porter & Pace Athletic Buildings, Renovations at the Central Annex Building, Palo Alto Service Center, Hanna & Porter High School Instructional Facilities and Science Laboratories for Hanna, Porter, Rivera and Lopez High School and numerous other projects district wide (Table A-10)

Function 81 budgeted amounts and actual expenditures by fund are summarized in Table A-10.

**Table A-10**  
**Summary of Construction Expenditures**

| <b>Fund Name</b>                           | <b>Fund #</b> | <b>Budget</b> | <b>Actual</b> | <b>Balance</b> |
|--|---------------|---------------|---------------|----------------|
| Food Service                               | 101           | \$ - \$       | -             | \$ -           |
| Qualified School Construction Bonds        | 190           | 36,120,889    | 20,119,181    | 16,001,708     |
| Local Maint.                               | 199           | 17,647,020    | 10,267,526    | 7,379,494      |
| Other State Funded Programs - Science Labs | 429           | 9,201,624     | 5,033,889     | 4,167,735      |
| \$30M - 2 Elementary Schools               | 631           | 1,101,753     | 210,738       | 891,015        |
| \$25M - 1 Middle School                    | 632           | 1,902,027     | 947,953       | 954,074        |
| \$50M - 1 High School                      | 633           | 1,187,865     | 572,150       | 615,715        |
| \$30M - District Wide Projects             | 634           | 1,107,826     | 30,537        | 1,077,289      |
|  |               | \$ 68,269,004 | \$ 37,181,974 | \$ 31,087,030  |

The change in construction in progress is illustrated in Table A-11 below.

**Table A-11**  
**Summary of Construction in Progress**

|  | <u>Amounts</u>       |
|--|----------------------|
| Beginning Balance at June 30, 2010     | \$ 124,007,405       |
| Additions                              | 33,349,080           |
| Reclassifications (Completed Projects) | <u>(82,562,639)</u>  |
| Ending Balance at June 30, 2011        | <u>\$ 74,793,846</u> |

The \$33,358,696 addition to construction in progress was for a new elementary school (Daniel Breeden Elementary School #144), Porter & Pace Athletic Buildings, the Palo Alto Service Center, Manzano Middle School, Keller Elementary School, Brownville Early College High School, Brownville Academic Center, Hanna & Porter High School Instructional Facility, new Science Laboratory Buildings for Hanna, Porter, Rivera & Lopez High Schools, and other projects, i.e. parking lots.

The reclassification of Construction in Progress (\$82,562,639) was for the finalization of Pullam Elementary School, Veterans Memorial High School, Wing Addition at Canales Elementary, Renovations at Central Annex Building and Parking Lot and other projects district-wide.

For more detailed information on additions, deletions, reclassifications and depreciation for capital asset activity, please refer to the Notes to the Financial Statements, Note E – Capital Asset Activity.

## **LONG TERM DEBT**

At year-end the District had \$220.8 million in bonds outstanding as shown in Table A-12. More detailed information about the District's debt is presented in the notes (Note F) to the financial statements.

### **Bond Ratings**

**At June 30, the District's bonds carried the following ratings:**

**Moody's: A2**

**Standard & Poors: A**

**Fitch: AAA**

**Table A-12**  
**Brownsville Independent School District's Long Term Debt**  
(In millions of dollars)

|                             | <b>Governmental<br/>Activities</b> |                    | <b>Total<br/>Percentage<br/>Change<br/>2010-2011</b> |
|-----------------------------|------------------------------------|--------------------|--|
|                             | <b><u>2010</u></b>                 | <b><u>2011</u></b> |  |
| Leases payable              | \$ -                               | \$ -               | N/A  |
| Bonds payable               | 205.4                              | 220.8              | 7.50%  |
| Claims payable              | -                                  | -                  | N/A  |
| Less deferred amount        |                                    |                    |  |
| On refundings               | -                                  | -                  | N/A  |
| Total bonds & notes payable | <u>\$ 205.4</u>                    | <u>\$ 220.8</u>    | <u>7.50%</u>   |

Below (Table A-13) is a summary of the District's bonded debt at June 30, 2011.

**Table A-13**  
**Summary of Bonded Debt**

|                                    | <b><u>Amount</u></b>         |
|------------------------------------|------------------------------|
| Beginning Balance at June 30, 2010 | \$ 205,365,000               |
| Bonds Issued & Accreted Interest   | 25,770,000                   |
| Retired Current Year               | (10,315,000)                 |
| Ending Balance at June 30, 2011    | <u><u>\$ 220,820,000</u></u> |

Note F to the comprehensive financial statements within this report presents more detailed information on bonded debt.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Appraised value used for the 2011 budget preparation is up \$15,859,620 million, or 0.32% from FY 09-10 (Table A-14).

|                             | <b>Table A-14</b>       |                        |                        |
|-----------------------------|-------------------------|------------------------|------------------------|
|                             | <b>Appraised Values</b> |                        |                        |
|                             | <b><u>FY 09-10</u></b>  | <b><u>FY 10-11</u></b> | <b><u>Variance</u></b> |
| Appraised Value (Beginning) | \$ 4,993,708,059        | \$ 5,009,567,679       | 0.32%                  |
| Tax Levy (Beginning)        | \$ 53,382,448           | \$ 53,617,610          | 0.44%                  |

The District's FY 2011-2012 refined average daily attendance (ADA) is expected to be 45,393 for a decrease of 475 (1.03%) from the FY 2010- 2011 near final refined ADA of 45,868.

Amounts available for appropriation in the FY 2011-2012 general fund budget are \$400,622,496, a decrease of 11.73% from the final FY 10-11 budget of \$453,861,922. Property tax revenues will increase due to an increase in property values, which went up by 0.32%. The district has experienced a decrease in state funding due to state budgetary cuts for the school year 2011-2012.

Table A-15 below illustrates the expected change in revenues for fiscal year 2010-2011.

**Table A-15**  
**General Fund**  
**Summary of Final Versus Adopted Revenue Budgets**

|               | <b>Object</b> | <b>Final<br/>FY 10-11</b> | <b>Adopted<br/>FY 11-12</b> | <b>Variance</b>        |
|---------------|---------------|---------------------------|-----------------------------|------------------------|
| Local         | 5700          | \$ 61,828,792             | \$ 61,682,776               | \$ (146,016)           |
| State         | 5800          | 313,568,871               | 295,976,614                 | (17,592,257)           |
| Federal       | 5900          | 27,418,305                | 32,423,140                  | 5,004,835              |
| Other Sources | 7900          | 51,045,954                | 10,539,966                  | (40,505,988)           |
| Total         |               | <u>\$ 453,861,922</u>     | <u>\$ 400,622,496</u>       | <u>\$ (53,239,426)</u> |

General fund expenditures are budgeted to decrease nearly 16.54% to \$400,612,896 (Table A-16). Although the FY 2011-2012 adopted budget is \$79.4 million less than the final FY 2010-2011 budget, it is expected that the budget will increase significantly as construction projects are approved and carryover budgets and purchase orders are reappropriated.

Salary and wage expenditures are budgeted to decrease by \$5.4 million as a result of the district's efforts to contain costs in view of the uncertain state funding. The supplies budget decreased by \$7.6 million due to new schools being outfitted with the needed equipment and supplies during school year 2010-2011. The capital outlay budget decreased by \$52.1 million as a result of many of the construction projects being completed during fiscal year 2010-2011.

**Table A-16**  
**General Fund**  
**Summary of Final Versus Adopted Expenditure Budgets**

|                      | <b>Object</b> | <b>Final<br/>FY 10-11</b> | <b>Adopted<br/>FY 11-12</b> | <b>Variance</b>        |
|----------------------|---------------|---------------------------|-----------------------------|------------------------|
| Salaries             | 6100          | \$ 328,674,418            | \$ 323,289,623              | \$ (5,384,795)         |
| Contracted Services  | 6200          | 30,041,661                | 27,558,950                  | (2,482,711)            |
| Supplies             | 6300          | 34,556,967                | 26,909,754                  | (7,647,213)            |
| Other Operating Exp. | 6400          | 14,977,651                | 12,255,710                  | (2,721,941)            |
| Debt Service         | 6500          | 5,519,957                 | 4,368,932                   | (1,151,025)            |
| Capital Outlay       | 6600          | 58,389,317                | 6,229,927                   | (52,159,390)           |
| Other Uses           | 8900          | 7,837,206                 | -                           | (7,837,206)            |
| Total                |               | <u>\$ 479,997,177</u>     | <u>\$ 400,612,896</u>       | <u>\$ (79,384,281)</u> |

The district's adopted General Fund adopted budget for fiscal year did not include any contributions from fund balance whereas last year (2010-2011) did include a contribution of \$6,511,281 from fund balance. Increases to the revenue and expenditure budgets are expected as new funding is obtained or as carryover budgets and carryover purchase orders are reappropriated.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This comprehensive financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Chief Financial Officer.

## **BASIC FINANCIAL STATEMENTS**



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**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**





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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

|                        |   | Primary Government      |
|------------------------|---|-------------------------|
| Data                   |   |                         |
| Control                |   |                         |
| Codes                  |   | Governmental Activities |
| <hr/>                  |   |                         |
| ASSETS                 |   |                         |
| 1110                   | Cash and Cash Equivalents                       | \$ 4,108,397            |
| 1120                   | Current Investments                             | 140,839,399             |
| 1220                   | Property Taxes Receivable (Delinquent)          | 12,436,578              |
| 1230                   | Allowance for Uncollectible Taxes               | (373,098)               |
| 1240                   | Due from Other Governments                      | 46,741,651              |
| 1250                   | Accrued Interest                                | 45,201                  |
| 1290                   | Other Receivables, net                          | 8,944,865               |
| 1300                   | Inventories                                     | 4,422,662               |
| 1420                   | Capitalized Bond and Other Debt Issuance Costs  | 3,126,347               |
| Capital Assets:        |   |                         |
| 1510                   | Land  | 27,598,685              |
| 1520                   | Buildings, Net                                  | 351,456,239             |
| 1530                   | Furniture and Equipment, Net                    | 11,807,738              |
| 1580                   | Construction in Progress                        | 74,793,846              |
|                        |   | <hr/>                   |
| 1000                   | Total Assets                                    | 685,948,510             |
| <hr/>                  |   |                         |
| LIABILITIES            |   |                         |
| 2110                   | Accounts Payable                                | 32,916,652              |
| 2150                   | Payroll Deductions & Withholdings               | 7,886,468               |
| 2160                   | Accrued Wages Payable                           | 28,529,308              |
| 2177                   | Due to Fiduciary Funds                          | 158,681                 |
| 2180                   | Due to Other Governments                        | 9,099,578               |
| 2190                   | Due to Student Groups                           | 55,532                  |
| 2200                   | Accrued Expenses                                | 28,996                  |
| 2300                   | Unearned Revenues                               | 11,899,430              |
| Noncurrent Liabilities |   |                         |
| 2501                   | Due Within One Year                             | 10,984,599              |
| 2502                   | Due in More Than One Year                       | 220,542,483             |
|                        |   | <hr/>                   |
| 2000                   | Total Liabilities                               | 322,101,727             |
| <hr/>                  |   |                         |
| NET ASSETS             |   |                         |
| 3200                   | Invested in Capital Assets, Net of Related Debt | 239,341,909             |
| 3820                   | Restricted for Federal and State Programs       | 11,768,114              |
| 3850                   | Restricted for Debt Service                     | 5,027,732               |
| 3860                   | Restricted for Capital Projects                 | 5,074,658               |
| 3890                   | Restricted for Other Purposes                   | 28,712,259              |
| 3900                   | Unrestricted Net Assets                         | 73,922,111              |
|                        |   | <hr/>                   |
| 3000                   | Total Net Assets                                | \$ 363,846,783          |

The notes to the financial statements are an integral part of this statement.



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT B-1

| Data<br>Control<br>Codes                             | 1  | Program Revenues        |  | Net (Expense)<br>Revenue and<br>Changes in Net<br>Assets |
|--|--|-------------------------|--|--|
|  |  | 3                       | 4  | 6  |
|  | Expenses                                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Primary Gov.<br>Governmental<br>Activities               |
| <b>Primary Government:</b>                           |  |                         |  |  |
| GOVERNMENTAL ACTIVITIES:                             |  |                         |  |  |
| 11 Instruction                                       | \$ 283,753,243                               | \$ 1,884,347            | \$ 70,923,549                            | \$ (210,945,347)   |
| 12 Instructional Resources and Media Services        | 9,145,005                                    | -                       | 1,927,520                                | (7,217,485)  |
| 13 Curriculum and Staff Development                  | 19,505,830                                   | -                       | 10,999,256                               | (8,506,574)  |
| 21 Instructional Leadership                          | 7,834,698                                    | -                       | 2,281,574                                | (5,553,124)  |
| 23 School Leadership                                 | 25,044,466                                   | -                       | 1,915,290                                | (23,129,176)   |
| 31 Guidance, Counseling and Evaluation Services      | 18,254,355                                   | -                       | 3,424,062                                | (14,830,293)   |
| 32 Social Work Services                              | 765,569                                      | -                       | 153,684                                  | (611,885)  |
| 33 Health Services                                   | 5,705,521                                    | -                       | 1,765,620                                | (3,939,901)  |
| 34 Student (Pupil) Transportation                    | 13,509,625                                   | -                       | 770,569                                  | (12,739,056)   |
| 35 Food Services                                     | 29,764,725                                   | 1,422,678               | 29,619,052                               | 1,277,005  |
| 36 Extracurricular Activities                        | 16,653,137                                   | 452,862                 | 250,423                                  | (15,949,852)   |
| 41 General Administration                            | 12,670,295                                   | -                       | 609,290                                  | (12,061,005)   |
| 51 Plant Maintenance and Operations                  | 51,408,170                                   | -                       | 1,684,749                                | (49,723,421)   |
| 52 Security and Monitoring Services                  | 6,350,712                                    | -                       | 443,995                                  | (5,906,717)  |
| 53 Data Processing Services                          | 3,661,103                                    | -                       | 516,288                                  | (3,144,815)  |
| 61 Community Services                                | 5,750,327                                    | 105,954                 | 4,851,788                                | (792,585)  |
| 72 Debt Service - Interest on Long Term Debt         | 10,357,075                                   | -                       | -  | (10,357,075)   |
| 73 Debt Service - Bond Issuance Cost and Fees        | 686,668                                      | -                       | -  | (686,668)  |
| 81 Capital Outlay                                    | -  | -                       | 5,033,889                                | 5,033,889  |
| 95 Payments to Juvenile Justice Alternative Ed. Prg. | 209,466                                      | -                       | -  | (209,466)  |
| [TP] TOTAL PRIMARY GOVERNMENT:                       | \$ 521,029,990                               | \$ 3,865,841            | \$ 137,170,598                           | (379,993,551)  |
|  |  |                         |  |  |
| Data<br>Control<br>Codes                             | General Revenues:                            |                         |  |  |
|  | Taxes:                                       |                         |  |  |
| MT   | Property Taxes, Levied for General Purposes  |                         |  | 49,247,771   |
| DT   | Property Taxes, Levied for Debt Service      |                         |  | 3,480,992  |
| SF   | State Aid - Formula Grants                   |                         |  | 280,086,312  |
| GC   | Grants and Contributions not Restricted      |                         |  | 29,720,120   |
| IE   | Investment Earnings                          |                         |  | 327,543  |
| MI   | Miscellaneous Local and Intermediate Revenue |                         |  | 606,897  |
| TR   | Total General Revenues                       |                         |  | 363,469,635  |
| CN   | Change in Net Assets                         |                         |  | (16,523,916)   |
| NB   | Net Assets--Beginning                        |                         |  | 384,360,324  |
| PA   | Prior Period Adjustment                      |                         |  | (3,989,625)  |
| NE   | Net Assets--Ending                           |                         |  | \$ 363,846,783   |

The notes to the financial statements are an integral part of this statement.



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**GOVERNMENT FUND  
FINANCIAL STATEMENTS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

| Data<br>Control<br>Codes                         | 10<br>General<br>Fund | Other<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------|----------------------------|--------------------------------|
| <b>ASSETS</b>                                    |                       |                            |                                |
| 1110 Cash and Cash Equivalents                   | \$ 2,652,904          | \$ 443,344                 | \$ 3,096,248                   |
| 1120 Investments - Current                       | 116,740,596           | 13,829,457                 | 130,570,053                    |
| 1220 Property Taxes - Delinquent                 | 11,535,185            | 901,393                    | 12,436,578                     |
| 1230 Allowance for Uncollectible Taxes (Credit)  | (346,056)             | (27,042)                   | (373,098)                      |
| 1240 Receivables from Other Governments          | 28,152,708            | 18,588,943                 | 46,741,651                     |
| 1250 Accrued Interest                            | 40,575                | 2,478                      | 43,053                         |
| 1260 Due from Other Funds                        | 37,570,342            | 23,103,151                 | 60,673,493                     |
| 1290 Other Receivables                           | 244,206               | -                          | 244,206                        |
| 1300 Inventories                                 | 4,422,662             | -                          | 4,422,662                      |
| 1000 Total Assets                                | <u>\$ 201,013,122</u> | <u>\$ 56,841,724</u>       | <u>\$ 257,854,846</u>          |
| <b>LIABILITIES AND FUND BALANCES</b>             |                       |                            |                                |
| Liabilities:                                     |                       |                            |                                |
| 2110 Accounts Payable                            | \$ 6,415,619          | \$ 2,863,012               | \$ 9,278,631                   |
| 2150 Payroll Deductions and Withholdings Payable | 7,886,468             | -                          | 7,886,468                      |
| 2160 Accrued Wages Payable                       | 28,447,403            | 81,905                     | 28,529,308                     |
| 2170 Due to Other Funds                          | 40,419,258            | 24,416,936                 | 64,836,194                     |
| 2180 Due to Other Governments                    | 7,947,158             | 1,152,420                  | 9,099,578                      |
| 2190 Due to Student Groups                       | 55,532                | -                          | 55,532                         |
| 2200 Accrued Expenditures                        | 28,996                | -                          | 28,996                         |
| 2300 Deferred Revenues                           | 10,499,732            | 11,694,358                 | 22,194,090                     |
| 2000 Total Liabilities                           | <u>101,700,166</u>    | <u>40,208,631</u>          | <u>141,908,797</u>             |
| Fund Balances:                                   |                       |                            |                                |
| Nonspendable Fund Balance:                       |                       |                            |                                |
| 3410 Inventories                                 | 4,422,662             | -                          | 4,422,662                      |
| Restricted Fund Balance:                         |                       |                            |                                |
| 3450 Federal or State Funds Grant Restriction    | 11,326,313            | -                          | 11,326,313                     |
| 3480 Retirement of Long-Term Debt                | -                     | 5,027,732                  | 5,027,732                      |
| 3490 Other Restricted Fund Balance               | 222,229               | 5,516,459                  | 5,738,688                      |
| Committed Fund Balance:                          |                       |                            |                                |
| 3510 Construction                                | 22,364,837            | 986,274                    | 23,351,111                     |
| 3545 Other Committed Fund Balance                | 541,141               | 175,116                    | 716,257                        |
| 3600 Unassigned Fund Balance                     | 60,435,774            | 4,927,512                  | 65,363,286                     |
| 3000 Total Fund Balances                         | <u>99,312,956</u>     | <u>16,633,093</u>          | <u>115,946,049</u>             |
| 4000 Total Liabilities and Fund Balances         | <u>\$ 201,013,122</u> | <u>\$ 56,841,724</u>       | <u>\$ 257,854,846</u>          |

The notes to the financial statements are an integral part of this statement.



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

|  |                              |
|--|------------------------------|
| <b>Total Fund Balances - Governmental Funds</b>  | <b>\$ 115,946,049</b>        |
| <b>1</b> The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net assets.  | 350,301                      |
| <b>2</b> Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$617,687,837 and the accumulated depreciation was \$167,631,878. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net assets. | 239,035,959                  |
| <b>3</b> Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2011 capital outlays and debt principal payments is to increase net assets.   | 24,465,396                   |
| <b>4</b> The 2011 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.  | (23,704,008)                 |
| <b>5</b> Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.  | 7,753,086                    |
| <b>19 Net Assets of Governmental Activities</b>  | <u><u>\$ 363,846,783</u></u> |

The notes to the financial statements are an integral part of this statement.



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

| Data<br>Control<br>Codes                                       | 10<br>General<br>Fund | Other<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------|----------------------------|--------------------------------|
| REVENUES:  |                       |                            |                                |
| 5700 Total Local and Intermediate Sources                      | \$ 54,235,413         | \$ 3,636,483               | \$ 57,871,896                  |
| 5800 State Program Revenues                                    | 305,071,210           | 23,268,197                 | 328,339,407                    |
| 5900 Federal Program Revenues                                  | 37,222,952            | 81,414,671                 | 118,637,623                    |
| 5020 Total Revenues  | 396,529,575           | 108,319,351                | 504,848,926                    |
| EXPENDITURES:  |                       |                            |                                |
| Current:   |                       |                            |                                |
| 0011 Instruction   | 209,435,127           | 62,449,194                 | 271,884,321                    |
| 0012 Instructional Resources and Media Services                | 7,150,759             | 1,615,361                  | 8,766,120                      |
| 0013 Curriculum and Instructional Staff Development            | 7,781,551             | 10,821,121                 | 18,602,672                     |
| 0021 Instructional Leadership                                  | 5,361,567             | 2,133,920                  | 7,495,487                      |
| 0023 School Leadership   | 23,301,892            | 603,460                    | 23,905,352                     |
| 0031 Guidance, Counseling and Evaluation Services              | 14,494,055            | 2,915,088                  | 17,409,143                     |
| 0032 Social Work Services                                      | 610,121               | 120,000                    | 730,121                        |
| 0033 Health Services   | 3,889,403             | 1,551,941                  | 5,441,344                      |
| 0034 Student (Pupil) Transportation                            | 12,884,155            | 5,734                      | 12,889,889                     |
| 0035 Food Services   | 28,625,975            | -                          | 28,625,975                     |
| 0036 Extracurricular Activities                                | 15,884,585            | 80,952                     | 15,965,537                     |
| 0041 General Administration                                    | 12,052,791            | 7,754                      | 12,060,545                     |
| 0051 Facilities Maintenance and Operations                     | 48,953,402            | 262,716                    | 49,216,118                     |
| 0052 Security and Monitoring Services                          | 6,172,246             | 76,792                     | 6,249,038                      |
| 0053 Data Processing Services                                  | 3,075,267             | 432,141                    | 3,507,408                      |
| 0061 Community Services  | 660,439               | 4,830,589                  | 5,491,028                      |
| Debt Service:  |                       |                            |                                |
| 0071 Principal on Long Term Debt                               | 3,550,000             | 7,380,000                  | 10,930,000                     |
| 0072 Interest on Long Term Debt                                | 1,162,269             | 9,194,806                  | 10,357,075                     |
| 0073 Bond Issuance Cost and Fees                               | 805,070               | 1,418                      | 806,488                        |
| Capital Outlay:  |                       |                            |                                |
| 0081 Facilities Acquisition and Construction                   | 30,386,706            | 6,795,268                  | 37,181,974                     |
| Intergovernmental:   |                       |                            |                                |
| 0095 Payments to Juvenile Justice Alternative Ed. Prg.         | 209,466               | -                          | 209,466                        |
| 6030 Total Expenditures  | 436,446,846           | 111,278,255                | 547,725,101                    |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | (39,917,271)          | (2,958,904)                | (42,876,175)                   |
| OTHER FINANCING SOURCES (USES):                                |                       |                            |                                |
| 7911 Capital Related Debt Issued (Regular Bonds)               | 25,770,000            | -                          | 25,770,000                     |
| 7915 Transfers In  | 7,563,785             | -                          | 7,563,785                      |
| 8911 Transfers Out (Use)                                       | (7,563,785)           | -                          | (7,563,785)                    |
| 7080 Total Other Financing Sources (Uses)                      | 25,770,000            | -                          | 25,770,000                     |
| 1200 Net Change in Fund Balances                               | (14,147,271)          | (2,958,904)                | (17,106,175)                   |
| 0100 Fund Balance - July 1 (Beginning)                         | 117,581,115           | 19,601,805                 | 137,182,920                    |
| 1300 Increase (Decrease) in Fund Balance                       | (4,120,888)           | (9,808)                    | (4,130,696)                    |
| 3000 Fund Balance - June 30 (Ending)                           | \$ 99,312,956         | \$ 16,633,093              | \$ 115,946,049                 |

The notes to the financial statements are an integral part of this statement.



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2011

|  |                      |
|--|----------------------|
| <b>Total Net Change in Fund Balances - Governmental Funds</b>  | <b>\$ 17,106,175</b> |
| The District uses internal service funds to charge the costs of certain activities, such as self-insurance and catering, to appropriate functions in other funds. The net income of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net assets.  | 68,115               |
| Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2011 capital outlays and debt principal payments is to increase net assets.   | 24,465,396           |
| Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to (decrease) net assets.  | (23,704,008)         |
| Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to (decrease) net assets. | (247,244)            |
| <b>Change in Net Assets of Governmental Activities</b>   | <b>\$ 16,523,916</b> |

The notes to the financial statements are an integral part of this statement.





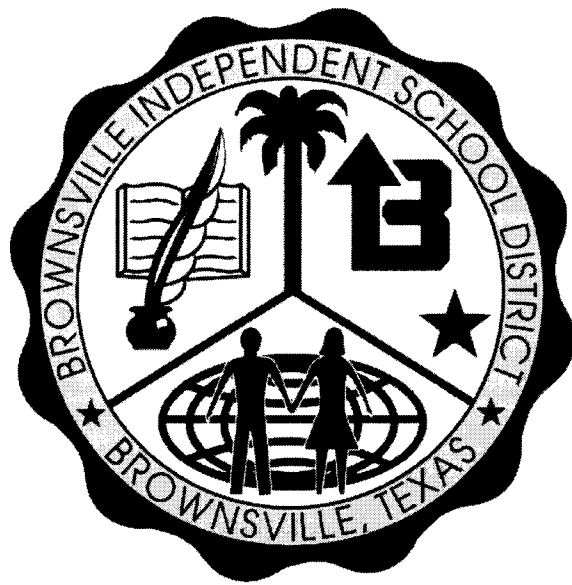
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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT C-5

| Data<br>Control<br>Codes                                       | Budgeted Amounts |               | Actual Amounts<br>(GAAP BASIS)<br>Basis - See<br>Note III A) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|--|------------------|---------------|--|--|
|  | Original         | Final         |  |  |
| REVENUES:  |                  |               |  |  |
| 5700 Total Local and Intermediate Sources                      | \$ 58,490,645    | \$ 61,828,792 | \$ 54,235,413  | \$ (7,593,379)   |
| 5800 State Program Revenues                                    | 309,269,252      | 313,568,871   | 305,071,210  | (8,497,661)  |
| 5900 Federal Program Revenues                                  | 27,418,305       | 27,418,305    | 37,222,952   | 9,804,647  |
| 5020 Total Revenues  | 395,178,202      | 402,815,968   | 396,529,575  | (6,286,393)  |
| EXPENDITURES:  |                  |               |  |  |
| Current:   |                  |               |  |  |
| 0011 Instruction   | 200,690,656      | 211,967,260   | 209,435,127  | 2,532,133  |
| 0012 Instructional Resources and Media Services                | 6,717,146        | 7,603,226     | 7,150,759  | 452,467  |
| 0013 Curriculum and Instructional Staff Development            | 7,735,304        | 8,047,018     | 7,781,551  | 265,467  |
| 0021 Instructional Leadership                                  | 6,011,912        | 6,025,385     | 5,361,567  | 663,818  |
| 0023 School Leadership   | 24,435,541       | 24,718,648    | 23,301,892   | 1,416,756  |
| 0031 Guidance, Counseling and Evaluation Services              | 14,910,933       | 14,971,712    | 14,494,055   | 477,657  |
| 0032 Social Work Services                                      | 675,557          | 680,557       | 610,121  | 70,436   |
| 0033 Health Services   | 4,033,084        | 4,094,404     | 3,889,403  | 205,001  |
| 0034 Student (Pupil) Transportation                            | 14,515,743       | 14,647,851    | 12,884,155   | 1,763,696  |
| 0035 Food Services   | 26,494,489       | 26,938,786    | 28,625,975   | (1,687,189)  |
| 0036 Extracurricular Activities                                | 14,921,737       | 16,352,752    | 15,884,585   | 468,167  |
| 0041 General Administration                                    | 13,636,701       | 13,863,580    | 12,052,791   | 1,810,789  |
| 0051 Facilities Maintenance and Operations                     | 51,761,614       | 52,355,862    | 48,953,402   | 3,402,460  |
| 0052 Security and Monitoring Services                          | 5,974,474        | 5,983,317     | 6,172,246  | (188,929)  |
| 0053 Data Processing Services                                  | 3,388,100        | 3,623,064     | 3,075,267  | 547,797  |
| 0061 Community Services  | 579,682          | 773,683       | 660,439  | 113,244  |
| Debt Service:  |                  |               |  |  |
| 0071 Principal on Long Term Debt                               | 1,735,000        | 3,550,000     | 3,550,000  | -  |
| 0072 Interest on Long Term Debt                                | 442,810          | 1,168,957     | 1,162,269  | 6,688  |
| 0073 Bond Issuance Cost and Fees                               | 4,000            | 801,000       | 805,070  | (4,070)  |
| Capital Outlay:  |                  |               |  |  |
| 0081 Facilities Acquisition and Construction                   | 2,800,000        | 53,767,909    | 30,386,706   | 23,381,203   |
| Intergovernmental:   |                  |               |  |  |
| 0095 Payments to Juvenile Justice Alternative Ed. Prg.         | 225,000          | 225,000       | 209,466  | 15,534   |
| 6030 Total Expenditures  | 401,689,483      | 472,159,971   | 436,446,846  | 35,713,125   |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | (6,511,281)      | (69,344,003)  | (39,917,271)   | 29,426,732   |
| OTHER FINANCING SOURCES (USES):                                |                  |               |  |  |
| 7911 Capital Related Debt Issued (Regular Bonds)               | -                | 24,518,575    | 25,770,000   | 1,251,425  |
| 7915 Transfers In  | 7,837,206        | 7,837,206     | 7,563,785  | (273,421)  |
| 7949 Other Resources   | 6,511,281        | 18,690,173    | -  | (18,690,173)   |
| 8911 Transfers Out (Use)                                       | (7,837,206)      | (7,837,206)   | (7,563,785)  | 273,421  |
| 7080 Total Other Financing Sources (Uses)                      | 6,511,281        | 43,208,748    | 25,770,000   | (17,438,748)   |
| 1200 Net Change in Fund Balances                               | -                | (26,135,255)  | (14,147,271)   | 11,987,984   |
| 0100 Fund Balance - July 1 (Beginning)                         | 117,581,115      | 117,581,115   | 117,581,115  | -  |
| 1300 Increase (Decrease) in Fund Balance                       | -                | -             | (4,120,888)  | (4,120,888)  |
| 3000 Fund Balance - June 30 (Ending)                           | \$ 117,581,115   | \$ 91,445,860 | \$ 99,312,956  | \$ 7,867,096   |

The notes to the financial statements are an integral part of this statement.



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**PROPRIETARY FUND  
FINANCIAL STATEMENTS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

|                           | Governmental<br>Activities -       |
|---------------------------|------------------------------------|
|                           | Total<br>Internal<br>Service Funds |
| <hr/>                     |                                    |
| ASSETS                    |                                    |
| Current Assets:           |                                    |
| Cash and Cash Equivalents | \$ 1,012,149                       |
| Investments - Current     | 10,269,346                         |
| Accrued Interest          | 2,148                              |
| Due from Other Funds      | 4,957,774                          |
| Other Receivables         | 8,700,659                          |
|                           | <hr/>                              |
| Total Assets              | 24,942,076                         |
|                           | <hr/>                              |
| LIABILITIES               |                                    |
| Current Liabilities:      |                                    |
| Accounts Payable          | 23,638,021                         |
| Due to Other Funds        | 953,754                            |
|                           | <hr/>                              |
| Total Liabilities         | 24,591,775                         |
|                           | <hr/>                              |
| NET ASSETS                |                                    |
| Unrestricted Net Assets   | 350,301                            |
|                           | <hr/>                              |
| Total Net Assets          | \$ 350,301                         |
|                           | <hr/> <hr/>                        |

The notes to the financial statements are an integral part of this statement.



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

|                                       | Governmental<br>Activities -       |
|---------------------------------------|------------------------------------|
|                                       | Total<br>Internal<br>Service Funds |
| OPERATING REVENUES:                   |                                    |
| Local and Intermediate Sources        | \$ 192,792                         |
| Total Operating Revenues              | <u>192,792</u>                     |
| OPERATING EXPENSES:                   |                                    |
| Payroll Costs                         | 93,439                             |
| Professional and Contracted Services  | 752                                |
| Supplies and Materials                | <u>30,486</u>                      |
| Total Operating Expenses              | <u>124,677</u>                     |
| Operating Income                      | 68,115                             |
| Total Net Assets - July 1 (Beginning) | 140,276                            |
| Prior Period Adjustment               | <u>141,910</u>                     |
| Total Net Assets - June 30 (Ending)   | <u><u>\$ 350,301</u></u>           |

The notes to the financial statements are an integral part of this statement.





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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

|  | Governmental<br>Activities -       |
|--|------------------------------------|
|  | Total<br>Internal<br>Service Funds |
| <u>Cash Flows from Operating Activities:</u>                         |                                    |
| Cash Received from Customers   | \$ 221,004                         |
| Cash Payments to Employees for Services                              | (93,439)                           |
| Cash Payments for Suppliers  | (31,238)                           |
| Other Operating Cash Receipts (Payments)                             | (146,710)                          |
| Net Cash Used for Operating Activities                               | (50,383)                           |
| Net Decrease in Cash and Cash Equivalents                            | (50,383)                           |
| Cash and Cash Equivalents at Beginning of the Year:                  | 1,062,532                          |
| Cash and Cash Equivalents at the End of the Year:                    | \$ 1,012,149                       |
| <u>Reconciliation of Operating Income to Net Cash</u>                |                                    |
| <u>Used for Operating Activities:</u>                                |                                    |
| Operating Income:  | \$ 68,115                          |
| Effect of Increases and Decreases in Current Assets and Liabilities: |                                    |
| Decrease (increase) in Current Investments                           | 18,777,120                         |
| Decrease (increase) in Accrued Interest                              | (1,600)                            |
| Decrease (increase) in Due from Other Funds                          | (4,581,580)                        |
| Decrease (increase) in Other Receivables                             | 649,341                            |
| Increase (decrease) in Accounts Payable                              | (5,745,298)                        |
| Increase (decrease) in Due to Other Funds                            | (9,215,842)                        |
| Increase (decrease) in Other Liabilities                             | (639)                              |
| Net Cash Used for Operating Activities                               | \$ (50,383)                        |

The notes to the financial statements are an integral part of this statement.



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**FIDUCIARY FUND  
FINANCIAL STATEMENTS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

EXHIBIT E-1

|                           | Private<br>Purpose<br>Trust Funds | Agency<br>Funds     |
|---------------------------|-----------------------------------|---------------------|
| <b>ASSETS</b>             |                                   |                     |
| Cash and Cash Equivalents | \$ 185,858                        | \$ 1,312,337        |
| Due from Other Funds      | 138,763                           | 19,918              |
| Total Assets              | <u>324,621</u>                    | <u>\$ 1,332,255</u> |
| <b>LIABILITIES</b>        |                                   |                     |
| Accounts Payable          | 975                               | \$ 52,236           |
| Due to Student Groups     | 7,718                             | 1,280,019           |
| Total Liabilities         | <u>8,693</u>                      | <u>\$ 1,332,255</u> |
| <b>NET ASSETS</b>         |                                   |                     |
| Unrestricted Net Assets   | <u>315,928</u>                    |                     |
| Total Net Assets          | <u>\$ 315,928</u>                 |                     |

The notes to the financial statements are an integral part of this statement.



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

|   | Private<br>Purpose<br>Trust Funds |
|---|-----------------------------------|
| ADDITIONS:                                |                                   |
| Local and Intermediate Sources            | \$ 25                             |
| Total Additions                           | <u>25</u>                         |
| Change in Net Assets                      | 25                                |
| <br>Total Net Assets - July 1 (Beginning) | <br>268,403                       |
| Prior Period Adjustment                   | <u>47,500</u>                     |
| Total Net Assets - June 30 (Ending)       | <u><u>\$ 315,928</u></u>          |

The notes to the financial statements are an integral part of this statement.





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**NOTES TO THE  
FINANCIAL STATEMENTS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Brownsville Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. The Board of Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to educational services within the jurisdiction of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

**A. REPORTING ENTITY**

The Board is elected by the public and has the authority to make decisions, appoint administrators and managers, significantly influence operations of the district, and has the primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, *The Financial Reporting Entity* and there are no component units included within the reporting entity.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on the entire District with the interfund activities removed. *Governmental activities* include programs supported primarily by grants, state foundation funds and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use or directly benefit from goods or services provided by a given function or segment of the District. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants through the Department of Education, Department of Health & Human Services and Texas Education Agency. If revenue is not program revenue, it is general revenue used to support all of the District's functions.

Interfund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property tax revenue. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors some times require the District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

Agency Funds utilize the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities.

The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **BASIS OF PRESENTATION - FUND ACCOUNTING**

The District reports the following major governmental funds:

1. **General Fund** - is used to account for financial resources used for general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds, are accounted for in this fund.

Additionally, the District reports the following fund type(s):

Governmental Funds:

1. **Special Revenue Funds** - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Normally, unused balances are returned to the grantor at the close of specified project periods.
2. **Debt Service Fund** - is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
2. **Capital Projects Fund** - is used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.
3. **Permanent Funds** - is used to account for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District has no Permanent Funds.

Proprietary Fund:

1. **Enterprise Funds** - are used to account for those operations that are financed and operated in a manner similar to private business. The District has no Enterprise funds.
2. **Internal Service Funds** - are used to account for revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund.

Fiduciary funds:

1. **Private Purpose Trust Funds** - are used to account for donations, which have stipulations that the principal may not be expended; only the income may be used for a specific purpose.
2. **Agency Funds** - are used to account for resources held for others in a custodial capacity in agency funds.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. **OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Inventory is valued at cost (average). The District accounts for school supply and food inventories by using the consumption method whereby expenditures are recognized only when inventory items are used. Maintenance supplies inventory is accounted for by using the purchase method whereby purchases of inventories are recognized as expenditures when the goods are received and the transaction is vouchered. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Commodity inventory is offset by deferred revenue.
3. Other current assets are prepaid expenses that will benefit periods beyond June 30, 2011. The only prepaid expenses included are for unexpired insurance policy premiums paid by June 30, 2011, and which extend beyond that date. The reported prepaid insurance is equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.
4. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.
5. Capital assets, which include land, buildings, vehicles, furniture & equipment and construction in progress, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Buildings, vehicles and furniture & equipment of the District are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u>            | <u>Years</u> |
|--------------------------|--------------|
| Buildings & Improvements | 50           |
| Vehicles                 | 10           |
| Furniture & Equipment    | 3-15         |

6. Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination upon consolidation. Services provided are treated as revenues or expenditures. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.
7. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change for future construction needs.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

8. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
9. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.
10. Compensated absences for the District consist of vacation days not taken during the year are not accumulated and carried over to subsequent years. Local sick leave is however, accumulated, but only paid to the employee upon retirement up to a maximum of 30 days. The estimated amount of sick leave expected to be paid at retirement during the year ended June 30, 2011, is \$454,599, and an accrual has been made.

**II. RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets.

One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including capital leases payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

| Capital Assets at the<br>Beginning of Year         | Historic<br>Cost | Accumulated<br>Depreciation | Net Value at the<br>Beginning of Year | Change in<br>Net Assets      |
|--|------------------|-----------------------------|---------------------------------------|------------------------------|
| Land   | \$ 27,594,132    | \$ -                        | \$ 27,594,132                         |                              |
| Buildings & Improvements                           | 426,510,480      | (139,940,328)               | 286,570,152                           |                              |
| Vehicles   | 23,887,767       | (9,710,839)                 | 14,176,928                            |                              |
| Furniture & Equipment                              | 15,688,053       | (17,980,711)                | (2,292,658)                           |                              |
| Construction in Progress                           | 124,007,405      | -                           | 124,007,405                           |                              |
| Change in Net Assets                               |                  |                             |                                       | <u>\$ 450,055,959</u>        |
| Long -Term Liabilities at the<br>Beginning of Year |                  |                             | Payable at the<br>Beginning of Year   |                              |
| Bonds Payable                                      |                  |                             | \$ (205,365,000)                      |                              |
| Notes Payable                                      |                  |                             | (5,655,000)                           |                              |
| Change in Net Assets                               |                  |                             |                                       | <u>(211,020,000)</u>         |
| Net Adjustment to Net Assets                       |                  |                             |                                       | <u><u>\$ 239,035,959</u></u> |



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**II. RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS** (Continued)

**B. EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in net assets. The details of this adjustment are as follows:

| <u>Current Year Capital Outlay</u> | <u>Amount</u>     | <u>Adjustments to<br/>Changes in Net Assets</u> | <u>Adjustments in<br/>Net Assets</u> |
|------------------------------------|-------------------|---|--------------------------------------|
| Land                               | \$ 9,616          | \$ 9,616  |                                      |
| Buildings & Improvements           | 3,809,471         | 3,809,471                                       |                                      |
| Furniture & Equipment              | 1,900,340         | 1,900,340                                       |                                      |
| Vehicles                           | 236,889           | 236,889   |                                      |
| Construction in Progress           | <u>33,349,080</u> | <u>33,349,080</u>                               |                                      |
| Total Capital Outlay               |                   |   | <u>\$ 39,305,396</u>                 |
| Debt Principal Payments            |                   |   |                                      |
| Note Payable                       | 615,000           | 615,000   |                                      |
| Bonds Payable                      | <u>10,315,000</u> | <u>10,315,000</u>                               |                                      |
| Total Principal Payments           | <u>10,930,000</u> | <u>10,930,000</u>                               | <u>10,930,000</u>                    |
| Net Adjustment to Net Assets       |                   |   | <u><u>\$ 50,235,396</u></u>          |

**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY DATA**

The Board of Trustees adopts an "appropriated budget" on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and Food Service Fund (which are included in the General Fund). The District is required to present the adopted and final amended budgeted revenues and expenditures for these three funds. The General Fund Budget report is presented in Exhibit C-5 and the Food Service Fund Budget and Debt Service Fund Budget report is presented in Exhibit J-4 and J-5.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to June 20<sup>th</sup> the District prepares a budget for the next succeeding fiscal year beginning July 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. Public notice of the meeting must be given at least ten days prior to the meeting.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

III. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

3. Prior to July 1<sup>st</sup>, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, the budget was amended as necessary.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure functions or object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30th, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

IV. **DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

A. **DEPOSITS AND INVESTMENTS**

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with counterparty's trust department in the District's name in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At June 30, 2011, the carrying amount of the District's deposits was \$4,108,397 and the bank balance was \$5,727,138. The District's cash deposits at June 30, 2011 and during the year were covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District monitors cash flows regularly when TEA funds are received to ensure that the bank pledges sufficient collateral.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: BBVA Compass Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$66,631,583.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$20,941,470 and occurred during the month of September 2010.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS** (Continued)

District Policies and Legal Contractual Provisions Governing Deposits

**Custodial Credit Risk for Deposits** – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial risk for deposits.

**Foreign Currency Risk for Deposits** – The District limits the risk that changes in exchange rates will adversely affect the fair value of a deposit. At year-end, the District was not exposed to foreign currency risk.

District Policies and Legal Contractual Provisions Governing Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. The policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. The Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

The District's temporary investments at June 30, 2011, are shown below:

| <u>Investment Type</u>     | <u>Fair Value</u>     | <u>Investment Maturities (in years)</u> |               |                |                     |
|----------------------------|-----------------------|---|---------------|----------------|---------------------|
|                            |                       | <u>Less Than 1</u>                      | <u>1 to 5</u> | <u>6 to 10</u> | <u>More Than 10</u> |
| Certificates of Deposit    | \$ 37,000,000         | \$ 37,000,000                           | \$ -          | \$ -           | \$ -                |
| Texas Term Investment Pool | 21,342,508            | 21,342,508                              | -             | -              | -                   |
| Lone Star Investment Pool  | 49,663,243            | 49,663,243                              | -             | -              | -                   |
| TexPool                    | 2,526,868             | 2,526,868                               | -             | -              | -                   |
| Texas Class/ MBIA          | 30,306,779            | 30,306,779                              | -             | -              | -                   |
| Total                      | <u>\$ 140,839,398</u> | <u>\$ 140,839,398</u>                   | <u>\$ -</u>   | <u>\$ -</u>    | <u>\$ -</u>         |

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

IV. **DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS** (Continued)

**Credit Risk** – In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1, P-1 or have an equivalent rating, and obligations of states, agencies, counties, and cities must be at least A or its equivalent. As of June 30, 2011, the District's investments in Lone Star Investment Pool were rated AAAs by Standard and Poor's (S&P), TexPool was rated AAAs by Standard and Poor's (S&P), Texas Term was rated AAAs by Standard and Poor's (S&P), and MBIA was rated AAA/m by Standard and Poor's Ratings Services.

**Custodial Risk for Investments** – For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by third parties were fully collateralized and held in the District's name.

**Concentration of Credit Risk** – The investment portfolio is diversified in terms of investment instruments and maturity scheduling to reduce risk of loss resulting from over concentration of assets in specific class of investments, specific maturity or specific issuer. As of June 30, 2011, the District had 26% of its investments in certificates of deposits in its depository bank, BBVA Compass Bank. These certificates of deposit were fully covered by eligible pledged securities. The District had 74% of its investments in TASB investment pools rated AAA as noted above.

**Interest Rate Risk** – In accordance with state law and the District's investment policy, the District does not purchase any investments greater than five (5) years for its operating funds.

**Foreign Currency Risk for Investments** – The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to foreign currency risk.

B. **PROPERTY TAXES**

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1<sup>st</sup> in conformity with Subtitle E, Texas Property Tax Code. The assessed value of the property tax roll on August 1, 2010, upon which the levy for the 2010-2011 fiscal year was based, as \$5,009,567,679. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1<sup>st</sup> of the year following the October 1<sup>st</sup> levy date. Taxes are delinquent if not paid by June 30<sup>th</sup>. Delinquent taxes are subject to both penalty and interest charges plus 12.5% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2011, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.0191 and \$0.0732 per \$100 valuation, respectively, for a total of \$1.0923 per \$100 valuation.

Current tax collections for the year ended June 30, 2011, were 92% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2011, property taxes receivable of \$11,535,185 and \$901,393, net of estimated uncollectible taxes of \$346,056 and \$27,042, totaled \$11,189,129 and \$874,351 for the General and Debt Service Funds, respectively.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Transfers are indicative of subsidies of various District operations. The following schedule briefly summarizes the District's transfer activities at June 30, 2011:

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Amount</u>       | <u>Purpose</u>            |
|---------------------|----------------------|---------------------|---------------------------|
| General Fund        | General Fund         | \$ 7,563,785        | Transfer to Athletic Fund |
|                     |                      | <u>\$ 7,563,785</u> |                           |

Interfund balances at June 30, 2011 consisted of the following individual fund balances:

|                                     | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|-------------------------------------|---------------------------------|-------------------------------|
| <b><u>General Fund</u></b>          |                                 |                               |
| General Fund                        | \$ 20,394,233                   | \$ 20,394,233                 |
| Special Revenue Funds               | 15,794,670                      | 14,418,831                    |
| Debt Service Fund                   | -                               | 489,739                       |
| Capital Projects Fund               | 427,685                         | -                             |
| Internal Service Fund               | 953,754                         | 4,957,774                     |
| Trust and Agency Fund               | -                               | 158,681                       |
|                                     | <u>37,570,342</u>               | <u>40,419,258</u>             |
| <b><u>Special Revenue Fund</u></b>  |                                 |                               |
| General Fund                        | 14,418,831                      | 15,794,670                    |
| Special Revenue Fund                | 6,771,781                       | 6,771,781                     |
|                                     | <u>21,190,612</u>               | <u>22,566,451</u>             |
| <b><u>Debt Service Fund</u></b>     |                                 |                               |
| General Fund                        | 489,739                         | -                             |
| Capital Projects Fund               | -                               | 1,376,081                     |
|                                     | <u>489,739</u>                  | <u>1,376,081</u>              |
| <b><u>Capital Projects Fund</u></b> |                                 |                               |
| General Fund                        | -                               | 427,685                       |
| Debt Service                        | 1,376,081                       | -                             |
| Capital Projects Fund               | 46,719                          | 46,719                        |
|                                     | <u>1,422,800</u>                | <u>474,404</u>                |
| <b><u>Internal Service Fund</u></b> |                                 |                               |
| General Fund                        | 4,957,774                       | 953,754                       |
| Trust and Agency Fund               | -                               | -                             |
|                                     | <u>4,957,774</u>                | <u>953,754</u>                |
| <b><u>Trust and Agency Fund</u></b> |                                 |                               |
| General Fund                        | 158,681                         | -                             |
| Internal Service Fund               | -                               | -                             |
|                                     | <u>158,681</u>                  | <u>-</u>                      |
| Totals                              | <u>\$ 65,789,948</u>            | <u>\$ 65,789,948</u>          |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided and/or reimbursement expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Balances also result from interfund payroll transactions and end of year reclasses made between funds.

**D. DUE FROM OTHER GOVERNMENTS AND AGENCIES**

Amounts due from other governments and agencies are as follows:

| Fund Group      | State<br>Entitlements | Federal<br>Grants   | Other             | Total                |
|-----------------|-----------------------|---------------------|-------------------|----------------------|
| General         | \$ 27,413,167         | \$ 648,548          | \$ 90,993         | \$ 28,152,708        |
| Special Revenue | 8,820,963             | 5,586,027           | 583,356           | 14,990,346           |
| Debt Service    | 3,598,597             | -                   | -                 | 3,598,597            |
| Totals          | <u>\$ 39,832,727</u>  | <u>\$ 6,234,575</u> | <u>\$ 674,349</u> | <u>\$ 46,741,651</u> |

**E. CAPITAL ASSET ACTIVITY**

Capital asset activity for the District for the year ended June 30, 2011, was as follows:

|   | Balance<br>07/01/10   | Primary Government<br>Changes During Year |                  |                     | Balance<br>06/30/11   |
|---|-----------------------|---|------------------|---------------------|-----------------------|
|   |                       | Additions                                 | Deletions        | Adjustments         |                       |
| Governmental activities:                    |                       |   |                  |                     |                       |
| Capital assets not being depreciated        |                       |   |                  |                     |                       |
| Land  | \$ 27,594,132         | \$ 9,616                                  | \$ -             | (5,063)             | \$ 27,598,685         |
| Construction in progress                    | 124,007,405           | 33,349,080                                | -                | (82,562,639)        | 74,793,846            |
| Total capital assets not being depreciated  | <u>151,601,537</u>    | <u>33,358,696</u>                         | <u>-</u>         | <u>(82,567,702)</u> | <u>102,392,531</u>    |
| Capital assets being depreciated            |                       |   |                  |                     |                       |
| Buildings and improvements                  | 426,510,480           | 3,809,471                                 | -                | 82,567,164          | 512,887,115           |
| Furniture and equipment                     | 15,688,053            | 1,900,340                                 | (161,757)        | (301)               | 17,426,335            |
| Vehicles                                    | 23,887,767            | 236,889                                   | (57,839)         | -                   | 24,066,817            |
| Total capital assets being depreciated      | <u>466,086,300</u>    | <u>5,946,700</u>                          | <u>(219,596)</u> | <u>82,566,863</u>   | <u>554,380,267</u>    |
| Less accumulated depreciation for:          |                       |   |                  |                     |                       |
| Building and improvements                   | (139,940,328)         | (21,490,548)                              | -                | -                   | (161,430,876)         |
| Equipment                                   | (9,710,839)           | (1,598,070)                               | 161,757          | -                   | (11,147,152)          |
| Vehicles                                    | (17,980,711)          | (615,390)                                 | 57,839           | -                   | (18,538,262)          |
| Total accumulated depreciation              | <u>(167,631,878)</u>  | <u>(23,704,008)</u>                       | <u>219,596</u>   | <u>-</u>            | <u>(191,116,290)</u>  |
| Total capital assets being depreciated      | <u>298,454,422</u>    | <u>(17,757,308)</u>                       | <u>-</u>         | <u>82,566,863</u>   | <u>363,263,977</u>    |
| Governmental activities capital assets, net | <u>\$ 450,055,959</u> | <u>\$ 15,601,388</u>                      | <u>\$ -</u>      | <u>(839)</u>        | <u>\$ 465,656,508</u> |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

Depreciation expense was charged to governmental functions as follows:

|   |                      |
|---|----------------------|
| 11 Instruction                                    | \$ 13,199,957        |
| 12 Instructional Resources and Media Services     | 425,594              |
| 13 Curriculum and Instructional Staff Development | 903,158              |
| 21 Instructional Leadership                       | 363,905              |
| 23 School Leadership                              | 1,160,603            |
| 31 Guidance, Counseling and Evaluation Services   | 845,212              |
| 32 Social Work Services                           | 35,448               |
| 33 Health Services                                | 264,177              |
| 34 Student (Pupil) Transportation                 | 625,803              |
| 35 Food Services                                  | 1,389,788            |
| 36 Cocurricular/Extracurricular Activities        | 775,125              |
| 41 General Administration                         | 585,538              |
| 51 Plant Maintenance and Operations               | 2,389,438            |
| 52 Security and Monitoring Services               | 303,390              |
| 53 Data Processing Services                       | 170,285              |
| 61 Community Services                             | 266,587              |
| Totals  | <u>\$ 23,704,008</u> |

**F. LONG-TERM OBLIGATIONS**

**General Obligation Bonds** – The District issued general obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, interest earnings, and State funds. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures.

| Date of Issue | Description  | Rate Payable | Final Maturity | Original Issue | Outstanding July 1, 2010 | Issued               | Retired              | Outstanding June 30, 2011 | Due Within One Year |
|---------------|--|--------------|----------------|----------------|--------------------------|----------------------|----------------------|---------------------------|---------------------|
| 08/31/99      | Unlimited Tax School Building Bonds, Series 1999     | 5.25%        | 2011           | \$ 36,805,000  | \$ 870,000               | \$ -                 | \$ 870,000           | \$ -                      | \$ -                |
| 09/25/01      | Unlimited Tax School Building Bonds, Series 2001     | 4.00%        | 2015           | 38,195,000     | 6,320,000                | -                    | 1,165,000            | 5,155,000                 | 1,210,000           |
| 08/15/05      | Unlimited Tax Refunding Bonds, Series 2005           | 4.00%        | 2030           | 65,435,000     | 65,195,000               | -                    | -                    | 65,195,000                | 1,980,000           |
| 09/28/06      | Unlimited Tax School Building Bonds, Series 2006     | 4.00%        | 2027           | 129,985,000    | 111,205,000              | -                    | 4,375,000            | 106,830,000               | 4,575,000           |
| 03/10/09      | Unlimited Tax Refunding Bonds, Series 2009           | 4.00%        | 2024           | 7,320,000      | 6,375,000                | -                    | 970,000              | 5,405,000                 | -                   |
| 12/22/09      | PFC Lease Revenue QS Construction Bonds, Series 2009 | 1.48%        | 2025           | 15,400,000     | 15,400,000               | -                    | 1,120,000            | 14,280,000                | 1,000,000           |
| 12/01/10      | Qualified School Construction Bonds, Series 2010A-E  |              | 2028           | 25,770,000     | -                        | 25,770,000           | 1,815,000            | 23,955,000                | 1,125,000           |
| Totals        |  |              |                |                | <u>\$ 205,365,000</u>    | <u>\$ 25,770,000</u> | <u>\$ 10,315,000</u> | <u>\$ 220,820,000</u>     | <u>\$ 9,890,000</u> |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

On December 21, 2010, \$25,770,000 Brownsville Independent School District Public Facility Corporation School Facility Lease Revenue Qualified School Construction Bonds, Taxable Series 2010A, 2010B, 2010C and 2010E (Direct-Pay Subsidy Bonds) were issued to finance the construction and equipping of school facilities and to pay for professional fees and services along with the costs of issuing the Bonds. The Qualified School Construction Bonds 2010A, 2010B, and 2010C bear a coupon rate of 5.79% less the tax credit rate of 5.42% with an effective interest rate of 0.37% per annum. The Qualified School Construction Bond 2010E bears a coupon rate of 5.95% less the tax credit rate of 5.42% with an effective interest rate of 0.53% per annum. Such interest shall be payable on each December 15 and June 15, commencing June 15, 2011.

The District has never defaulted on any principal and interest payments. There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitation and restrictions at June 30, 2011.

Annual debt service requirements to maturity for general obligation bonds are as follows:

| Year Ending<br>June 30, | Bonds Payable         |                       | Total<br>Requirements |
|-------------------------|-----------------------|-----------------------|-----------------------|
|                         | Principal             | Interest              |                       |
| 2012                    | \$ 9,890,000          | \$ 10,473,044         | \$ 20,363,044         |
| 2013                    | 10,285,000            | 10,067,487            | 20,352,487            |
| 2014                    | 10,750,000            | 9,606,466             | 20,356,466            |
| 2015                    | 11,215,000            | 9,130,666             | 20,345,666            |
| 2016                    | 11,715,000            | 8,626,736             | 20,341,736            |
| 2017-2021               | 66,820,000            | 35,023,788            | 101,843,788           |
| 2022-2026               | 76,965,000            | 19,921,865            | 96,886,865            |
| 2027-2030               | 23,180,000            | 3,294,502             | 26,474,502            |
| Totals                  | <u>\$ 220,820,000</u> | <u>\$ 106,144,554</u> | <u>\$ 326,964,554</u> |

**Note Payable** – The District issued the note payable for the governmental activities to provide funds for the renovations to existing facilities. The note is being issued pursuant to the Constitution and general laws of the State of Texas, including Sections 45.108 and the Texas Education Code, as amended. The Note is a direct obligation of the District, payable from and secured by ad valorem taxes levied by the District for maintenance purposes, within the limits prescribed by law, against all taxable property located within the District.

| Date of<br>Issue | Description                                 | Interest<br>Rate<br>Payable | Final<br>Maturity | Amounts<br>Original<br>Issue | Amounts<br>Outstanding<br>July 1, 2010 | Issued      | Retired           | Amounts<br>Outstanding<br>June 30, 2011 | Due Within<br>One Year |
|------------------|---|-----------------------------|-------------------|------------------------------|--|-------------|-------------------|---|------------------------|
| 03/17/09         | Limited Tax Refunding<br>Notes, Series 2009 | 3.8750%                     | 2018              | \$ 6,250,000                 | \$ 5,655,000                           | \$ -        | \$ 615,000        | \$ 5,040,000                            | \$ 640,000             |
|                  | Totals                                      |                             |                   |                              | <u>\$ 5,655,000</u>                    | <u>\$ -</u> | <u>\$ 615,000</u> | <u>\$ 5,040,000</u>                     | <u>\$ 640,000</u>      |



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

Annual debt service requirements to maturity for the note payable are as follows:

| Year Ending<br>June 30, | Note Payable        |                   | Total<br>Requirements |
|-------------------------|---------------------|-------------------|-----------------------|
|                         | Principal           | Interest          |                       |
| 2012                    | \$ 640,000          | \$ 191,520        | \$ 831,520            |
| 2013                    | 665,000             | 167,200           | 832,200               |
| 2014                    | 690,000             | 141,930           | 831,930               |
| 2015                    | 720,000             | 115,710           | 835,710               |
| 2016                    | 745,000             | 88,350            | 833,350               |
| 2017-2018               | 1,580,000           | 90,630            | 1,670,630             |
| Totals                  | <u>\$ 5,040,000</u> | <u>\$ 795,340</u> | <u>\$ 5,835,340</u>   |

**G. CHANGES IN LONG-TERM DEBT**

Bonded indebtedness of the District is as follows:

| Description          | Balance<br>7/01/10    | Issued               | Retired                | Balance<br>06/30/11   | Due Within<br>One Year |
|----------------------|-----------------------|----------------------|------------------------|-----------------------|------------------------|
| Bonds Payable        | \$ 205,365,000        | \$ 25,770,000        | \$ (10,315,000)        | \$ 220,820,000        | \$ 9,890,000           |
| Note Payable         | 5,655,000             | -                    | (615,000)              | 5,040,000             | 640,000                |
| Compensated Absences | 430,387               | 24,212               | -                      | 454,599               | 454,599                |
| Discount on Bonds    | 5,554,099             | -                    | (341,616)              | 5,212,483             | -                      |
| Totals               | <u>\$ 217,004,486</u> | <u>\$ 25,794,212</u> | <u>\$ (11,271,616)</u> | <u>\$ 231,527,082</u> | <u>\$ 10,984,599</u>   |

**H. COMMITMENTS UNDER OPERATING LEASES**

Commitments under operating (noncapitalized) leases agreements for facilities and equipment provide for minimum future rental payments as of June 30, 2011, as follows:

| Year Ending<br>June 30,                 | Total<br>Requirements |
|---|-----------------------|
| 2012                                    | \$ 1,828,799          |
| 2013                                    | 1,784,068             |
| 2014                                    | 1,407,213             |
| 2015                                    | 727,986               |
| 2016                                    | 306,408               |
| Total Minimum Rentals                   | <u>\$ 6,054,474</u>   |
| Rental Expenditures in Fiscal Year 2011 | <u>\$ 1,944,489</u>   |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**I. CONTINGENT LIABILITIES**

The District participates in a number of grant programs funded by State and Federal Agencies. These programs are subject to compliance audits by the grantor agencies or their representatives.

Audits of all of these programs for the year ended June 30, 2011 have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is involved in various legal proceedings arising from its operations, including investigations into alleged misconduct by certain employees. In addition, the Texas Education Agency has issued a report indicating that the District failed to comply with various competitive procurement standards. The ultimate resolution of these matters is pending. Management, in consultation with its attorneys, believes that the outcome of these pending matters will not have a material adverse effect on the District's financial statements or compliance.

**J. DEFINED BENEFIT PENSION PLAN**

*Plan Description.* The District contributes to the Teacher Retirement System of Texas ("TRS"), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading.

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal year 2011, 2010 and 2009, and a state contribution rate of 6.0% for fiscal years 2011 and 2010 and 6.0% for fiscal year 2009. State contributions to TRS made on behalf of the District's employees' for the years ending June 30, 2011, 2010 and 2009, were \$20,237,733, \$19,814,208 and \$19,097,652, respectively. The District paid additional state contributions for the years ending June 30, 2011, 2010 and 2009, in the amount of \$5,942,640, \$5,931,386, and \$5,749,478, respectively, on the portion of the employees' salaries that exceeded the statutory minimum.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

IV. **DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS** (Continued)

Medicare Part D. Federal legislation enacted in January 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. As a result this provision allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset pharmacy claims paid by TRS-Care on behalf of plan participants. GASB Statement No. 24 requires recognition of these on-behalf payments in the financial statements. Medicare Part D payments made on-behalf of the District's participants for the years ended June 30, 2011, 2010 and 2009 were \$843,893 \$784,056 and \$703,268, respectively.

K. **RISK MANAGEMENT**

Health Care Coverage

During the fiscal year ended June 30, 2011, the District sponsored a self-funded insurance plan to provide health care benefits to employees and their dependents. The District paid premiums of \$380.00 month per employee to the fund. Total employee contributions are required for coverage of dependents.

The contract between the District and the licensed insurer is renewable, and terms of coverage and premium are included in the contractual provisions. The latest financial statements for American Administrative Group (AAG) are filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

The following is a summary of the changes in the balances of claims liabilities for the year ended June 30, 2011:

|                                      |                     |
|--------------------------------------|---------------------|
| Unpaid claims, beginning of the year | \$ 3,833,731        |
| Incurred claims (including IBNRs)    | 42,984,052          |
| Claim payments                       | <u>(41,593,840)</u> |
| Unpaid claims, end of the year       | <u>\$ 5,223,943</u> |

Worker's Compensation Coverage

For the year ended June 30, 2011, the District met its statutory worker's compensation obligations through participation in a Self-Funded Worker's Compensation Plan with TRISTAR Risk Management as the TPA (Third Party Administrator). This plan is authorized by Article 8309, Vernon's Annotated Texas Statutes. The District provides statutory worker's compensation benefits to its employees.

The District and TRISTAR Risk Management are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the self-insured retention of \$1 million. For the year ended June 30, 2011, the fund purchased excess coverage from Wachovia Insurance Services. The fund uses an independent actuary to determine reserve adequacy and fully funds those reserves.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

As of June 30, 2011, the District has reserved for estimated claims incurred, but not reported that do not exceed the required reserves. The liability reported at June 30, 2011, is based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not necessarily result in an exact amount.

**L. CONSTRUCTION COMMITMENTS**

At June 30, 2011, the District had the following construction commitments:

| <u>Local Funded Projects</u>                         | <u>Project Cost</u>  | <u>Expended<br/>June 30, 2011</u> | <u>Committed</u>     |
|--|----------------------|-----------------------------------|----------------------|
| Athletic Buildings - Porter, Pace                    | \$ 7,311,026         | \$ 6,944,687                      | \$ 497,164           |
| Palo Alto Service Center                             | 8,854,694            | 8,504,505                         | 665,903              |
| Parking Lots - Transportation Dept                   | 1,040,769            | 149,012                           | 992,537              |
| Brownsville Early College High School                | 54,416               | 44,995                            | 9,421                |
| Brownsville Academic Center                          | 95,551               | 94,141                            | 1,410                |
| Breeden Elementary                                   | 243,663              | 147,880                           | 95,783               |
| Hanna High School - Instructional Facility           | 105,704              | 93,797                            | 11,907               |
| Hanna and Porter High School New Science Laboratorys | 369,195              | 126,703                           | 242,492              |
| Porter High School - Instructional Facility          | 34,164               | 25,759                            | 8,405                |
|  | <u>18,109,182</u>    | <u>16,131,479</u>                 | <u>2,525,022</u>     |
| <u>2009 - 2010 QSCB Projects</u>                     |                      |                                   |                      |
| Breeden Elementary                                   | 11,969,430           | 11,525,798                        | 374,224              |
| Brownsville Early College High School                | 6,105,000            | 1,751,672                         | 4,353,328            |
| Brownsville Academic Center                          | 9,145,000            | 4,533,144                         | 4,611,856            |
| Hanna High School Performing Arts Facility           | 7,115,000            | 2,737,836                         | 4,377,164            |
| Porter High School Instructional Facility            | 3,405,000            | 1,119,864                         | 2,285,136            |
|  | <u>37,739,430</u>    | <u>21,668,314</u>                 | <u>16,001,708</u>    |
| <u>2006 Bond Projects</u>                            |                      |                                   |                      |
| Keller Elementary School                             | 13,042,250           | 12,571,803                        | 746,108              |
| Manzano Middle School                                | 20,294,000           | 19,388,361                        | 954,074              |
|  | <u>33,336,250</u>    | <u>31,960,164</u>                 | <u>1,700,182</u>     |
| <u>Grants</u>  |                      |                                   |                      |
| Hanna and Porter High School New Science Laboratorys | 5,511,624            | 4,847,993                         | 663,631              |
| Lopez and Rivera High School New Science Laboratorys | 3,690,000            | 185,896                           | 3,504,104            |
|  | <u>9,201,624</u>     | <u>5,033,889</u>                  | <u>4,167,735</u>     |
| Total Construction In Progress                       | <u>\$ 98,386,486</u> | <u>\$ 74,793,846</u>              | <u>\$ 24,394,647</u> |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**M. DEFERRED REVENUE**

Deferred revenue at year-end consisted of the following:

| Description            | General Fund         | Special Revenue      | Debt Service      | Total                |
|------------------------|----------------------|----------------------|-------------------|----------------------|
| BISD - Taxes           | \$ 10,235,969        | \$ -                 | \$ 804,886        | \$ 11,040,855        |
| BISD - Athletics       | 1,280                | -                    | -                 | 1,280                |
| BISD - Other           | 83,502               | -                    | -                 | 83,502               |
| BISD - Rendition Fees  | 18,767               | -                    | -                 | 18,767               |
| BISD - CCED Taxes      | 73,245               | -                    | -                 | 73,245               |
| Food service receipts  | 86,969               | -                    | -                 | 86,969               |
| Special revenue grants | -                    | 10,889,472           | -                 | 10,889,472           |
| Totals                 | <u>\$ 10,499,732</u> | <u>\$ 10,889,472</u> | <u>\$ 804,886</u> | <u>\$ 22,194,090</u> |

**N. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

During the current year, revenues from local and intermediate sources consisted of the following:

| Description                                    | General Fund         | Capital Projects Fund | Other Governmental Funds | Internal Service Funds | Total                |
|--|----------------------|-----------------------|--------------------------|------------------------|----------------------|
| Property Taxes                                 | \$ 48,288,137        | \$ -                  | \$ 3,476,082             | \$ -                   | \$ 51,764,219        |
| Penalties, Interest & Other Tax-Related Income | 1,779,170            | -                     | 132,294                  | -                      | 1,911,464            |
| Tuition and Fees                               | 590,133              | -                     | -                        | -                      | 590,133              |
| Food Sales                                     | 1,399,035            | -                     | -                        | 127,123                | 1,526,158            |
| Investment Income                              | 299,486              | 21,089                | 7,017                    | 144                    | 327,736              |
| Co-curricular Student Act.                     | 455,642              | -                     | -                        | -                      | 455,642              |
| CCED   | 135,719              | -                     | -                        | -                      | 135,719              |
| Other  | 1,288,091            | -                     | -                        | 65,525                 | 1,353,616            |
| Totals   | <u>\$ 54,235,413</u> | <u>\$ 21,089</u>      | <u>\$ 3,615,393</u>      | <u>\$ 192,792</u>      | <u>\$ 58,064,687</u> |

**O. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and/or disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**P. INCREASE (DECREASE) IN FUND BALANCES**

Adjustments to the fund balance during the 2010-2011 school year consisted of the following:

| Description                                      | General Fund          | Capital Projects | Other Nonmajor Funds | Total                 |
|--|-----------------------|------------------|----------------------|-----------------------|
| To pay loan from Self Funded Workman's Comp.     | \$ (650,000)          | -                | -                    | \$ (650,000)          |
| To reclassify balance sheet accounts             | (4,529,279)           | -                | -                    | (4,529,279)           |
| Adjustments for Summary of Finances              | 1,098,090             | -                | (9,808)              | 1,098,090             |
| To close out liabilities that never materialized | (39,699)              | -                | -                    | (39,699)              |
| Other  | -                     | -                | -                    | -                     |
| Total  | <u>\$ (4,120,888)</u> | <u>\$ -</u>      | <u>\$ (9,808)</u>    | <u>\$ (4,120,888)</u> |

**Q. MAINTENANCE OF EFFORT**

The District sponsors a modified self-insurance plan to provide health care benefits to staff members and their dependents.

A. Total District premium paid for health care for 2010-2011: \$ 34,745,125

B. Subtract any non-medical expenditures:

|                       |                |  |
|-----------------------|----------------|--|
| Life insurance        | \$ 182,336     |  |
| Dental insurance      | -              |  |
| Vision insurance      | -              |  |
| Long-term disability  | -              |  |
| Short-term disability | -              |  |
| Alternate plans       | -              |  |
| COBRA expense         | -              |  |
| Retiree expense       | -              |  |
|                       | <u>182,336</u> |  |

C. 2010-2011 Maintenance of Effort: \$ 34,562,789

**R. SHARED SERVICES AGREEMENTS**

The District is the fiscal agent for a Shared Service Arrangement ("SSA"), which provides special education services to the member districts listed below. The fiscal agent provides all services. The member districts provide the funds to the fiscal agent, who provides all services. According to guidance provided in TEA's Resource Guide, the District has accounted for fiscal agent's activities of the SSA in a special revenue fund and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

IV. **DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS** (Continued)

R. **SHARED SERVICES AGREEMENTS** (Continued)

| Member Districts | Expenditures      |
|------------------|-------------------|
| Harlingen CISD   | \$ 167,500        |
| Los Fresnos CISD | 72,500            |
| Point Isabel ISD | 53,750            |
| Raymondville ISD | 110,000           |
| San Benito ISD   | 136,250           |
| South Texas ISD  | 2,500             |
| Total            | <u>\$ 542,500</u> |

S. **GENERAL FUND FEDERAL SOURCE REVENUES**

Federally financed programs are generally accounted for in the Special Revenue funds of the District, except for indirect costs charged to federal programs which are accounted for in the General Fund as prescribed by TEA and certain direct revenues. The District recognized in the General Fund such revenues for the year ended June 30, 2011 from various federal sources as follows:

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2011

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**S. GENERAL FUND FEDERAL SOURCE REVENUES (Continued)**

| Program or Source                               | Number  | Amount               |
|---|---------|----------------------|
| U.S. Department of Treasury (Fed Share of QSCB) | N/A     | \$ 680,234           |
| R.O.T. C.                                       | N/A     | 391,480              |
| Impact Aid - P.L. 874 Title I                   | 84.04   | -                    |
| National School Lunch Program                   | 10.555  | 19,688,366           |
| School Breakfast Program                        | 10.553  | 8,829,510            |
| Food Distribution (USDA Commodities)            | 10.550  | 910,124              |
| School Health Related Services                  | N/A     | 6,021,442            |
| Medicaid Administrative Claiming Program        | N/A     | 151,725              |
| Total Programs                                  |         | <u>36,672,881</u>    |
| <i>Indirect Costs:</i>                          |         |                      |
| ESEA Title I - Part A                           | 84.010A | 382,294              |
| Texas Title I Priority Schools                  | 84.010A | 8,967                |
| ESEA Title I - SIP                              | 84.010A | 790                  |
| ESEA Title I - SIP                              | 84.010A | 1,739                |
| ESEA Title I - SIP                              | 84.010A | 97                   |
| ESEA Title I - SIP                              | 84.010A | 2,431                |
| ESEA Title I - SIP                              | 84.010A | 977                  |
| ESEA Title I - Part C                           | 84.011A | 31,888               |
| 21st Century Grant Program                      | 84.287C | 11,208               |
| ESEA Title II - Part D - Enhanc. Ed. Thru Tech. | 84.318X | 40                   |
| ESEA Title III - Part A - L.E.P.                | 84.365A | 19,566               |
| ESEA Title II - Part A-TPTR                     | 84.367A | 73,012               |
| Texas Title I Priority Schools (ARRA)           | 84.388A | 8,906                |
| Texas Title I Priority Schools (ARRA)           | 84.388A | 5,106                |
| ESEA Title I - SIP (ARRA)                       | 84.389A | 122                  |
| ESEA Title I - SIP (ARRA)                       | 84.389A | 1,739                |
| ESEA Title I - SIP (ARRA)                       | 84.389A | 96                   |
| ESEA Title I - SIP (ARRA)                       | 84.389A | 1,093                |
| Total Indirect Costs                            |         | <u>550,071</u>       |
| Total General Fund                              |         | <u>\$ 37,222,952</u> |





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## **COMBINING STATEMENTS**



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## **NONMAJOR GOVERNMENTAL FUNDS**

*The Special Revenue Funds generally account for state and federally financed programs where unused balances are returned to the grantors at the close of specified project periods. Project accounting is employed to maintain integrity for the various sources of funds. Funds included in the Special Revenue Funds are described in the following pages.*

**ESEA, TITLE IV-SAVE AND DRUG-FREE SCHOOLS AND COMMUNITIES ACT (204).** To account for funds granted as a result of the Improving Americas School Act of 1994. These funds are to be used to develop age-appropriate comprehensive violence and drug/alcohol education prevention programs.

**ESEA, TITLE III-SUBTITLE B-EDUCATION FOR THE HOMELESS CHILDREN (206).** To account for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring.

**ESEA TITLE I PART A-IMPROVING BASIC PROGRAMS (211).** To account for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

**ESEA, TITLE I PART C-EDUCATION OF MIGRATORY CHILDREN (212).** To account for funds granted for programs benefiting children of migrant agriculture-related workers and children of migrant fishermen.

**IDEA-PART B, FORMULA (224).** To account for funds granted to operate educational programs for handicapped children with disabilities.

**IDEA PART B, PRESCHOOL (225).** To account for funds granted for preschool handicapped children.

**ADULT EDUCATION ENGLISH LITERANCE AND CIVICS (231).** To account for funds granted to assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children. And to assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency.

**CARL D. PERKINS, TITLE I PART C (244).** To account for funds granted to provide career and technology education to develop new and/or improve career and technology education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at (1) a limited number of campuses or (2) a limited number of program areas.

**ESEA TITLE II PART A TEACHER AND PRINCIPAL TRAINING AND RECRUITING (255).** To provide financial assistance to LEAs to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, also, to hold local education agencies and schools accountable for improving student academic achievement.

**READING FIRST GRANT (261).** To account for funds granted to establish reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research, to ensure that every student can read at grade level or above not later than the end of grade 3.

**Title II Part D: ENHANCING EDUCATION THROUGH TECHNOLOGY (262).** To account for funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement.

**TITLE III, ENGLISH LANGUAGE ACQUISITION AND LANGUAGE ENHANCEMENT (263).** To account for funds granted to improve the education of limited English proficient children, by assisting them to learn English and meet challenging State academic content and student academic achievement standards.

**Title XIV State Fiscal Stabilization Fund (SFAF-ARRA: 266).** This fund is to be used to account for funds granted to improve basic programs as authorized by Elementary and Secondary Education Act (ESEA) as amended by the No Child Left Behind Act (NCLB), the Individuals with Disabilities Act (IDEA), the Adult and Family Literacy Act and the Carl Perkins Act for the modernization, renovation or repair of public school facilities, including modernization, renovation and repairs that are consistent with a recognized green building rating system.

**GAINING EARLY AWARENESS FOR COLLEGE READINESS (GEAR UP) (274).** To account for funds granted to provide services and support to low-income minority school districts to ensure that students are academically prepared for higher education, graduate from high school, and have access to higher education opportunities.

**Title II Part D: ENHANCING EDUCATION THROUGH TECHNOLOGY (ARRA 279).** This fund is to be used to account for funds granted for the implementation and support of a comprehensive system that effectively used technology in elementary and secondary schools to improve student academic achievement.

**TITLE X, Part C-EDUCATION FOR THE HOMELESS CHILDREN AND YOUTH (ARRA 280).** This fund is to be used to account for funds granted for the a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring.

**IDEA-PART B, FORMULA (ARRA 283).** This fund is to be used to account for funds granted to operate educational programs for children with disabilities.

**IDEA PART B, PRESCHOOL (ARRA 284).** This fund is to be used to account for funds granted to operate educational programs for preschool children with disabilities.

**ESEA TITLE I PART A-IMPROVING BASIC PROGRAMS (ARRA 285).** This fund is to be used to account for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

**ADULT BASIC EDUCATION-FEDERAL (309).** To account for funds granted to provide or support programs for educational services to adults who are beyond compulsory school attendance age, are not enrolled in school and function at less than secondary completion level.

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) (312).** To account for funds granted to provide education services to undereducated adult recipients of cash assistance under TANF.

**IDEA PART B, DISCRETIONARY (315).** To account for funds used to support an Education Service Center (ESC) special education component and also: targeted support to LEAs, private residential placements, priority projects, and other emerging needs.

**IDEA PART B DEAF (316).** To account for funds granted to operate educational programs for children with disabilities.

**IDEA PART B, PRESCHOOL DEAF (317).** To account for funds granted for preschool children with disabilities.

**IDEA PART C, DEAF, EARLY INTERVENTION (340).** To account for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants and toddlers.

**LIFE SKILLS GRANT PROGRAM (394).** To account for funds granted to provide pregnant and parenting students the services needed to keep them in school until completion.

**ADVANCED PLACEMENT (397).** To account for funds used to promote pre-AP and AP programs thus increasing the number of student and teachers enrolled and teaching pre – AP and AP courses at each participating school. This grant also supports activities to increase the participation of low income students in pre advanced placement and advanced placement courses.

**OPTIONAL EXTENDED YEAR PROGRAM (401).** To account for extended year programs not to exceed thirty instructional days for students from K to Eighth grade who are identified as likely not to be promoted to the next grade level succeeding school year.

**STUDENT SUCCESS INITIATIVE (404).** To account for funds used to provide support for the training of teachers and the implementation of scientific, research-based programs to support students in their reading development in the early grades of school.

**TECHNOLOGY FUND (411).** To account for funds awarded to school districts to purchase technological software or equipment that contributes to student learning or to pay for training for educational personnel involved in the use of these materials.

**PRE KINDERGARTEN PROGRAM (415).** To account for funds granted to implement or expand the pre kindergarten programs.

**ADULT BASIC EDUCATION STATE (431).** To account for funds granted to provide adult education, literacy services and instruction below the college level for undereducated adults who are beyond the age of compulsory attendance.

**STATE DEAF (435).** To account for funds granted to account, on a project basis for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD).

**OTHER NON-GOVERNMENTAL FUNDS (GENERAL FUNDS) INCLUDE:**

**MEDICAL ASSISTANCE PROGRAM (MAC) (196).** To account for funds allocated for eligible administrative costs for activities attributed to the implementation of the Medicaid state plan.

**SCHOOL HEALTH and RELATED SERVICES (SHARS) (198).** This code is to be used to account for funds received from the School Health and Related Services (SHARS) Program. Funds received represent reimbursements to the school district for school-based health services, which are provided to special education students enrolled in the Medicaid Program.

**OTHER FEDERAL & SPECIAL FUNDS INCLUDE:**

TITLE I SCHOOL IMPROVEMENT (211/216)

21<sup>st</sup> Century Program Grant (265)

DISASTER RECOVERY ASSISTANCE (289)

TEXAS SUCCESSFUL SCHOOL AWARD PROGRAM (393)

COLLABORATIVE DROPOUT REDUCTION PROGRAM (409)

TEXAS FITNESS NOW GRANT (429)



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

| Data<br>Control<br>Codes      |  | 204<br>ESEA Title IV<br>Safe & Drug<br>Free Schools | 206<br>ESEA<br>Title X, Pt.C<br>Homeless | 211<br>ESEA I, A<br>Improving<br>Basic Program | 212<br>ESEA Title I<br>Part C<br>Migrant |
|-------------------------------|--|---|--|--|--|
| ASSETS                        |  |   |  |  |  |
| 1110                          | Cash and Cash Equivalents                  | \$ -  | \$ -                                     | \$ 389,459                                     | \$ -                                     |
| 1120                          | Investments - Current                      | -   | -  | 406,317  | -  |
| 1220                          | Property Taxes - Delinquent                | -   | -  | -  | -  |
| 1230                          | Allowance for Uncollectible Taxes (Credit) | -   | -  | -  | -  |
| 1240                          | Receivables from Other Governments         | 22,674  | 44,841                                   | 2,046,868                                      | 35,316                                   |
| 1250                          | Accrued Interest                           | -   | -  | -  | -  |
| 1260                          | Due from Other Funds                       | 61,042  | -  | 4,562,184                                      | 719,715                                  |
| 1000                          | Total Assets                               | <u>\$ 83,716</u>                                    | <u>\$ 44,841</u>                         | <u>\$ 7,404,828</u>                            | <u>\$ 755,031</u>                        |
| LIABILITIES AND FUND BALANCES |  |   |  |  |  |
| Liabilities:                  |  |   |  |  |  |
| 2110                          | Accounts Payable                           | \$ 5,196  | \$ -                                     | \$ 675,254                                     | \$ 3,296                                 |
| 2160                          | Accrued Wages Payable                      | -   | -  | -  | -  |
| 2170                          | Due to Other Funds                         | 78,520  | 44,841                                   | 6,729,574                                      | 751,735                                  |
| 2180                          | Due to Other Governments                   | -   | -  | -  | -  |
| 2300                          | Deferred Revenues                          | -   | -  | -  | -  |
| 2000                          | Total Liabilities                          | <u>83,716</u>                                       | <u>44,841</u>                            | <u>7,404,828</u>                               | <u>755,031</u>                           |
| Fund Balances:                |  |   |  |  |  |
| Restricted Fund Balance:      |  |   |  |  |  |
| 3480                          | Retirement of Long-Term Debt               | -   | -  | -  | -  |
| 3490                          | Other Restricted Fund Balance              | -   | -  | -  | -  |
| Committed Fund Balance:       |  |   |  |  |  |
| 3510                          | Construction                               | -   | -  | -  | -  |
| 3545                          | Other Committed Fund Balance               | -   | -  | 98,563   | -  |
| 3600                          | Unassigned Fund Balance                    | -   | -  | (98,563)                                       | -  |
| 3000                          | Total Fund Balances                        | <u>-</u>  | <u>-</u>                                 | <u>-</u>                                       | <u>-</u>                                 |
| 4000                          | Total Liabilities and Fund Balances        | <u>\$ 83,716</u>                                    | <u>\$ 44,841</u>                         | <u>\$ 7,404,828</u>                            | <u>\$ 755,031</u>                        |

| 216<br>Title I<br>School<br>Improvement | 224<br>IDEA - Part B<br>Formula | 225<br>IDEA - Part B<br>Preschool | 231<br>Federal<br>Adult<br>Education | 244<br>Career and<br>Technical -<br>Basic Grant | 255<br>ESEA II,A<br>Training and<br>Recruiting | 261<br>Reading<br>First | 262<br>Title II, D<br>Education<br>Technology |
|---|---------------------------------|-----------------------------------|--------------------------------------|---|--|-------------------------|---|
| \$ -                                    | \$ -                            | \$ -                              | \$ -                                 | \$ -  | \$ -   | \$ -                    | \$ -  |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| 88,066                                  | (265,771)                       | 131                               | (1,940)                              | 304,982   | 116,830  | 797,036                 | 2,849   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| 376,197                                 | 2,711,119                       | 145,579                           | 94,471                               | 208,617   | 1,605,986                                      | 91,531                  | 89,122  |
| <u>\$ 464,263</u>                       | <u>\$ 2,445,348</u>             | <u>\$ 145,710</u>                 | <u>\$ 92,531</u>                     | <u>\$ 513,599</u>                               | <u>\$ 1,722,816</u>                            | <u>\$ 888,567</u>       | <u>\$ 91,971</u>                              |
| \$ 12,773                               | \$ -                            | \$ -                              | \$ 109                               | \$ 68,971                                       | \$ 41,365                                      | \$ 353,001              | \$ -  |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| 451,490                                 | 2,445,348                       | 145,710                           | 92,422                               | 444,628   | 1,681,451                                      | 535,566                 | 91,971  |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| <u>464,263</u>                          | <u>2,445,348</u>                | <u>145,710</u>                    | <u>92,531</u>                        | <u>513,599</u>                                  | <u>1,722,816</u>                               | <u>888,567</u>          | <u>91,971</u>                                 |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | 850  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | (850)  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| <u>\$ 464,263</u>                       | <u>\$ 2,445,348</u>             | <u>\$ 145,710</u>                 | <u>\$ 92,531</u>                     | <u>\$ 513,599</u>                               | <u>\$ 1,722,816</u>                            | <u>\$ 888,567</u>       | <u>\$ 91,971</u>                              |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

| Data<br>Control<br>Codes             |  | 263<br>Title III, A<br>English Lang.<br>Acquisition | 265<br>Title IV, B<br>Community<br>Learning | 266<br>Title XIV<br>ARRA State<br>Stabilization | 269<br>Title V, Pt.A<br>Innovative<br>Programs |
|--------------------------------------|--|---|---|---|--|
| <b>ASSETS</b>                        |  |   |   |   |  |
| 1110                                 | Cash and Cash Equivalents                  | \$ -  | \$ -  | \$ -  | \$ -   |
| 1120                                 | Investments - Current                      | -   | -   | -   | -  |
| 1220                                 | Property Taxes - Delinquent                | -   | -   | -   | -  |
| 1230                                 | Allowance for Uncollectible Taxes (Credit) | -   | -   | -   | -  |
| 1240                                 | Receivables from Other Governments         | 324,126   | 18,451                                      | -   | -  |
| 1250                                 | Accrued Interest                           | -   | -   | -   | -  |
| 1260                                 | Due from Other Funds                       | 124,007   | 46,343                                      | -   | 4,086  |
| 1000                                 | Total Assets                               | <u>\$ 448,133</u>                                   | <u>\$ 64,794</u>                            | <u>\$ -</u>                                     | <u>\$ 4,086</u>                                |
| <b>LIABILITIES AND FUND BALANCES</b> |  |   |   |   |  |
| Liabilities:                         |  |   |   |   |  |
| 2110                                 | Accounts Payable                           | \$ 31,383   | \$ 7,243                                    | \$ -  | \$ -   |
| 2160                                 | Accrued Wages Payable                      | -   | -   | -   | -  |
| 2170                                 | Due to Other Funds                         | 416,750   | 57,551                                      | -   | 4,086  |
| 2180                                 | Due to Other Governments                   | -   | -   | -   | -  |
| 2300                                 | Deferred Revenues                          | -   | -   | -   | -  |
| 2000                                 | Total Liabilities                          | <u>448,133</u>                                      | <u>64,794</u>                               | <u>-</u>  | <u>4,086</u>                                   |
| Fund Balances:                       |  |   |   |   |  |
| Restricted Fund Balance:             |  |   |   |   |  |
| 3480                                 | Retirement of Long-Term Debt               | -   | -   | -   | -  |
| 3490                                 | Other Restricted Fund Balance              | -   | -   | -   | -  |
| Committed Fund Balance:              |  |   |   |   |  |
| 3510                                 | Construction                               | -   | -   | -   | -  |
| 3545                                 | Other Committed Fund Balance               | -   | 3,948                                       | -   | -  |
| 3600                                 | Unassigned Fund Balance                    | -   | (3,948)                                     | -   | -  |
| 3000                                 | Total Fund Balances                        | <u>-</u>  | <u>-</u>                                    | <u>-</u>  | <u>-</u>                                       |
| 4000                                 | Total Liabilities and Fund Balances        | <u>\$ 448,133</u>                                   | <u>\$ 64,794</u>                            | <u>\$ -</u>                                     | <u>\$ 4,086</u>                                |

| 274               | 276                               | 279                                     | 280                            | 283                            | 284                              | 285                                     | 286                                  |
|-------------------|-----------------------------------|---|--------------------------------|--------------------------------|----------------------------------|---|--------------------------------------|
| GEAR<br>Up        | Title I - SIP<br>Academy<br>Grant | Title II, D<br>ARRA - Ed.<br>Technology | ESEA, X, C<br>ARRA<br>Homeless | IDEA, Pt. B<br>ARRA<br>Formula | IDEA, Pt. B<br>ARRA<br>Preschool | ESEA I, A<br>Improving<br>Basic Program | Title I SIP<br>Academy<br>Grant ARRA |
| \$ -              | \$ -                              | \$ -                                    | \$ -                           | \$ -                           | \$ -                             | \$ -                                    | \$ -                                 |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| 136,953           | 887,127                           | 13,766                                  | 22,516                         | 210,049                        | 11,473                           | 22,957                                  | 705,127                              |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| -                 | -                                 | -                                       | -                              | 185,882                        | -                                | 1,195,230                               | -                                    |
| <u>\$ 136,953</u> | <u>\$ 887,127</u>                 | <u>\$ 13,766</u>                        | <u>\$ 22,516</u>               | <u>\$ 395,931</u>              | <u>\$ 11,473</u>                 | <u>\$ 1,218,187</u>                     | <u>\$ 705,127</u>                    |
| \$ 1,871          | \$ -                              | \$ 9,502                                | \$ -                           | \$ 221,946                     | \$ 11,473                        | \$ 16,294                               | \$ 117,466                           |
| -                 | 67,556                            | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| 135,082           | 819,571                           | 4,264                                   | 22,516                         | 173,985                        | -                                | 1,201,893                               | 587,661                              |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| <u>136,953</u>    | <u>887,127</u>                    | <u>13,766</u>                           | <u>22,516</u>                  | <u>395,931</u>                 | <u>11,473</u>                    | <u>1,218,187</u>                        | <u>705,127</u>                       |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| 2,792             | -                                 | 950                                     | -                              | 6,081                          | -                                | 16,630                                  | 15,396                               |
| (2,792)           | -                                 | (950)                                   | -                              | (6,081)                        | -                                | (16,630)                                | (15,396)                             |
| -                 | -                                 | -                                       | -                              | -                              | -                                | -                                       | -                                    |
| <u>\$ 136,953</u> | <u>\$ 887,127</u>                 | <u>\$ 13,766</u>                        | <u>\$ 22,516</u>               | <u>\$ 395,931</u>              | <u>\$ 11,473</u>                 | <u>\$ 1,218,187</u>                     | <u>\$ 705,127</u>                    |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

| Data<br>Control<br>Codes             |  | 289<br>Other Federal<br>Special<br>Revenue Funds | 309<br>SSA<br>Adult Basic<br>Education | 312<br>SSA - TANF<br>Family<br>Assistance | 315<br>SSA<br>IDEA, Part B<br>Discretionary |
|--------------------------------------|--|--|--|---|---|
| <b>ASSETS</b>                        |  |  |  |   |   |
| 1110                                 | Cash and Cash Equivalents                  | \$ -   | \$ -                                   | \$ -                                      | \$ -  |
| 1120                                 | Investments - Current                      | -  | -                                      | -   | -   |
| 1220                                 | Property Taxes - Delinquent                | -  | -                                      | -   | -   |
| 1230                                 | Allowance for Uncollectible Taxes (Credit) | -  | -                                      | -   | -   |
| 1240                                 | Receivables from Other Governments         | 55,113   | 62,120                                 | 78,214                                    | 96,708                                      |
| 1250                                 | Accrued Interest                           | -  | -                                      | -   | -   |
| 1260                                 | Due from Other Funds                       | 711,286  | 11,016                                 | 52,764                                    | -   |
| 1000                                 | Total Assets                               | <u>\$ 766,399</u>                                | <u>\$ 73,136</u>                       | <u>\$ 130,978</u>                         | <u>\$ 96,708</u>                            |
| <b>LIABILITIES AND FUND BALANCES</b> |  |  |  |   |   |
| Liabilities:                         |  |  |  |   |   |
| 2110                                 | Accounts Payable                           | \$ 3,972   | \$ -                                   | \$ 752                                    | \$ 2,884                                    |
| 2160                                 | Accrued Wages Payable                      | -  | -                                      | -   | -   |
| 2170                                 | Due to Other Funds                         | 103,582  | 73,136                                 | 130,226                                   | 24,194                                      |
| 2180                                 | Due to Other Governments                   | -  | -                                      | -   | -   |
| 2300                                 | Deferred Revenues                          | 658,845  | -                                      | -   | 69,630                                      |
| 2000                                 | Total Liabilities                          | <u>766,399</u>                                   | <u>73,136</u>                          | <u>130,978</u>                            | <u>96,708</u>                               |
| Fund Balances:                       |  |  |  |   |   |
| Restricted Fund Balance:             |  |  |  |   |   |
| 3480                                 | Retirement of Long-Term Debt               | -  | -                                      | -   | -   |
| 3490                                 | Other Restricted Fund Balance              | -  | -                                      | -   | -   |
| Committed Fund Balance:              |  |  |  |   |   |
| 3510                                 | Construction                               | -  | -                                      | -   | -   |
| 3545                                 | Other Committed Fund Balance               | -  | -                                      | -   | -   |
| 3600                                 | Unassigned Fund Balance                    | -  | -                                      | -   | -   |
| 3000                                 | Total Fund Balances                        | <u>-</u>   | <u>-</u>                               | <u>-</u>                                  | <u>-</u>                                    |
| 4000                                 | Total Liabilities and Fund Balances        | <u>\$ 766,399</u>                                | <u>\$ 73,136</u>                       | <u>\$ 130,978</u>                         | <u>\$ 96,708</u>                            |

| 316<br>SSA<br>IDEA, Part B<br>Deaf | 317<br>SSA - IDEA, B<br>Preschool<br>Deaf | 340<br>SSA - IDEA C<br>Deaf - Early<br>Intervention | 385<br>Visually<br>Impaired<br>SSVI | 392<br>Non-Ed.<br>Community<br>Based Support | 394<br>Life<br>Skills<br>Program | 397<br>Advanced<br>Placement<br>Incentives | 401<br>Optional<br>Extended Year<br>Program |
|------------------------------------|---|---|-------------------------------------|--|----------------------------------|--|---|
| \$ -                               | \$ -                                      | \$ -  | \$ -                                | \$ -   | \$ -                             | \$ -                                       | \$ -  |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| 7,094                              | 1,770                                     | -   | -                                   | -  | 61,499                           | 1,127                                      | (116,636)                                   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| 327                                | 153                                       | 170   | 16,305                              | 678,045                                      | 28,203                           | 194,395                                    | 248,949                                     |
| <u>\$ 7,421</u>                    | <u>\$ 1,923</u>                           | <u>\$ 170</u>                                       | <u>\$ 16,305</u>                    | <u>\$ 678,045</u>                            | <u>\$ 89,702</u>                 | <u>\$ 195,522</u>                          | <u>\$ 132,313</u>                           |
| \$ -                               | \$ -                                      | \$ -  | \$ -                                | \$ -   | \$ -                             | \$ 798                                     | \$ -  |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| 7,421                              | 237                                       | 170   | -                                   | 644,123                                      | 89,702                           | 1,684                                      | 132,313                                     |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | 1,686                                     | -   | 16,305                              | 33,922                                       | -                                | 193,040                                    | -   |
| <u>7,421</u>                       | <u>1,923</u>                              | <u>170</u>  | <u>16,305</u>                       | <u>678,045</u>                               | <u>89,702</u>                    | <u>195,522</u>                             | <u>132,313</u>                              |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| <u>\$ 7,421</u>                    | <u>\$ 1,923</u>                           | <u>\$ 170</u>                                       | <u>\$ 16,305</u>                    | <u>\$ 678,045</u>                            | <u>\$ 89,702</u>                 | <u>\$ 195,522</u>                          | <u>\$ 132,313</u>                           |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

| Data<br>Control<br>Codes             |  | 404<br>Student<br>Success<br>Initiative | 409<br>High School<br>Completion<br>and Success | 411<br>Technology<br>Allotment | 415<br>Kindergarten<br>and Pre-K<br>Grants |
|--------------------------------------|--|---|---|--------------------------------|--|
| <b>ASSETS</b>                        |  |   |   |                                |  |
| 1110                                 | Cash and Cash Equivalents                  | \$ -                                    | \$ -  | \$ -                           | \$ -                                       |
| 1120                                 | Investments - Current                      | -                                       | -   | -                              | -  |
| 1220                                 | Property Taxes - Delinquent                | -                                       | -   | -                              | -  |
| 1230                                 | Allowance for Uncollectible Taxes (Credit) | -                                       | -   | -                              | -  |
| 1240                                 | Receivables from Other Governments         | 289,176                                 | 32,546  | 514,529                        | 2,545,088                                  |
| 1250                                 | Accrued Interest                           | -                                       | -   | -                              | -  |
| 1260                                 | Due from Other Funds                       | 112,133                                 | 84,146  | 642,873                        | -  |
| 1000                                 | Total Assets                               | <u>\$ 401,309</u>                       | <u>\$ 116,692</u>                               | <u>\$ 1,157,402</u>            | <u>\$ 2,545,088</u>                        |
| <b>LIABILITIES AND FUND BALANCES</b> |  |   |   |                                |  |
| Liabilities:                         |  |   |   |                                |  |
| 2110                                 | Accounts Payable                           | \$ 137,924                              | \$ 76   | \$ 29,936                      | \$ -                                       |
| 2160                                 | Accrued Wages Payable                      | -                                       | 14,349  | -                              | -  |
| 2170                                 | Due to Other Funds                         | 263,385                                 | 102,267   | 533,906                        | 2,545,088                                  |
| 2180                                 | Due to Other Governments                   | -                                       | -   | (24,936)                       | -  |
| 2300                                 | Deferred Revenues                          | -                                       | -   | -                              | -  |
| 2000                                 | Total Liabilities                          | <u>401,309</u>                          | <u>116,692</u>                                  | <u>538,906</u>                 | <u>2,545,088</u>                           |
| Fund Balances:                       |  |   |   |                                |  |
| Restricted Fund Balance:             |  |   |   |                                |  |
| 3480                                 | Retirement of Long-Term Debt               | -                                       | -   | -                              | -  |
| 3490                                 | Other Restricted Fund Balance              | -                                       | -   | 441,801                        | -  |
| Committed Fund Balance:              |  |   |   |                                |  |
| 3510                                 | Construction                               | -                                       | -   | -                              | -  |
| 3545                                 | Other Committed Fund Balance               | 2,800                                   | -   | 14,650                         | -  |
| 3600                                 | Unassigned Fund Balance                    | (2,800)                                 | -   | 162,045                        | -  |
| 3000                                 | Total Fund Balances                        | <u>-</u>                                | <u>-</u>  | <u>618,496</u>                 | <u>-</u>                                   |
| 4000                                 | Total Liabilities and Fund Balances        | <u>\$ 401,309</u>                       | <u>\$ 116,692</u>                               | <u>\$ 1,157,402</u>            | <u>\$ 2,545,088</u>                        |

| 418                          | 419                            | 426                                      | 427                           | 428                      | 429                                     | 431                                    | 432                                   |
|------------------------------|--------------------------------|--|-------------------------------|--------------------------|---|--|---------------------------------------|
| Supplemental<br>Compensation | Head Start<br>Ready To<br>Read | TX Educator<br>Excellence<br>Award Grant | Security<br>Services<br>Grant | High School<br>Allotment | Other State<br>Special<br>Revenue Funds | SSA - ABE<br>Educational<br>Technology | SSA - TANF<br>Temporary<br>Assistance |
| \$ -                         | \$ -                           | \$ -                                     | \$ -                          | \$ -                     | \$ -                                    | \$ -                                   | \$ -                                  |
| -                            | -                              | -  | -                             | -                        | -                                       | -                                      | -                                     |
| -                            | -                              | -  | -                             | -                        | -                                       | -                                      | -                                     |
| -                            | -                              | -  | -                             | -                        | -                                       | -                                      | -                                     |
| -                            | -                              | (19,616)                                 | 23,697                        | -                        | 5,448,972                               | 57,490                                 | 6,789                                 |
| -                            | -                              | -  | -                             | -                        | -                                       | -                                      | -                                     |
| 1,561                        | 50,000                         | 19,616                                   | 35,040                        | 74,803                   | 5,574,651                               | -                                      | -                                     |
| <u>\$ 1,561</u>              | <u>\$ 50,000</u>               | <u>\$ -</u>                              | <u>\$ 58,737</u>              | <u>\$ 74,803</u>         | <u>\$ 11,023,623</u>                    | <u>\$ 57,490</u>                       | <u>\$ 6,789</u>                       |
| \$ -                         | \$ -                           | \$ -                                     | \$ -                          | \$ -                     | \$ 1,084,412                            | \$ 395                                 | \$ -                                  |
| -                            | -                              | -  | -                             | -                        | -                                       | -                                      | -                                     |
| 1,561                        | 50,000                         | -  | 58,737                        | 74,803                   | 318,633                                 | 57,095                                 | 6,789                                 |
| -                            | -                              | -  | -                             | -                        | -                                       | -                                      | -                                     |
| -                            | -                              | -  | -                             | -                        | 9,620,578                               | -                                      | -                                     |
| 1,561                        | 50,000                         | -  | 58,737                        | 74,803                   | 11,023,623                              | 57,490                                 | 6,789                                 |
| -                            | -                              | -  | -                             | -                        | -                                       | -                                      | -                                     |
| -                            | -                              | -  | -                             | -                        | -                                       | -                                      | -                                     |
| -                            | -                              | -  | -                             | -                        | 930,853                                 | -                                      | -                                     |
| -                            | -                              | -  | -                             | -                        | 311                                     | -                                      | -                                     |
| -                            | -                              | -  | -                             | -                        | (931,164)                               | -                                      | -                                     |
| -                            | -                              | -  | -                             | -                        | -                                       | -                                      | -                                     |
| <u>\$ 1,561</u>              | <u>\$ 50,000</u>               | <u>\$ -</u>                              | <u>\$ 58,737</u>              | <u>\$ 74,803</u>         | <u>\$ 11,023,623</u>                    | <u>\$ 57,490</u>                       | <u>\$ 6,789</u>                       |



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

| Data<br>Control<br>Codes                        | 435<br>SSA<br>Regional Day<br>School - Deaf | 496<br>AVID      | 497<br>Texas<br>HS Project<br>Grant | 498<br>Other Locally<br>Funded<br>Programs |
|---|---|------------------|-------------------------------------|--|
| <b>ASSETS</b>                                   |   |                  |                                     |  |
| 1110 Cash and Cash Equivalents                  | \$ -  | \$ -             | \$ -                                | \$ -                                       |
| 1120 Investments - Current                      | -   | -                | -                                   | -  |
| 1220 Property Taxes - Delinquent                | -   | -                | -                                   | -  |
| 1230 Allowance for Uncollectible Taxes (Credit) | -   | -                | -                                   | -  |
| 1240 Receivables from Other Governments         | -   | 10,379           | 287,685                             | 2,175                                      |
| 1250 Accrued Interest                           | -   | -                | -                                   | -  |
| 1260 Due from Other Funds                       | 288,269                                     | -                | 61,053                              | 73,616                                     |
| 1000 Total Assets                               | <u>\$ 288,269</u>                           | <u>\$ 10,379</u> | <u>\$ 348,738</u>                   | <u>\$ 75,791</u>                           |
| <b>LIABILITIES AND FUND BALANCES</b>            |   |                  |                                     |  |
| Liabilities:                                    |   |                  |                                     |  |
| 2110 Accounts Payable                           | \$ -  | \$ -             | \$ 7,054                            | \$ -                                       |
| 2160 Accrued Wages Payable                      | -   | -                | -                                   | -  |
| 2170 Due to Other Funds                         | 288,269                                     | 10,379           | 86,698                              | 45,438                                     |
| 2180 Due to Other Governments                   | -   | -                | -                                   | -  |
| 2300 Deferred Revenues                          | -   | -                | 254,986                             | 30,353                                     |
| 2000 Total Liabilities                          | <u>288,269</u>                              | <u>10,379</u>    | <u>348,738</u>                      | <u>75,791</u>                              |
| Fund Balances:                                  |   |                  |                                     |  |
| Restricted Fund Balance:                        |   |                  |                                     |  |
| 3480 Retirement of Long-Term Debt               | -   | -                | -                                   | -  |
| 3490 Other Restricted Fund Balance              | -   | -                | -                                   | -  |
| Committed Fund Balance:                         |   |                  |                                     |  |
| 3510 Construction                               | -   | -                | -                                   | -  |
| 3545 Other Committed Fund Balance               | -   | -                | 12,145                              | -  |
| 3600 Unassigned Fund Balance                    | -   | -                | (12,145)                            | -  |
| 3000 Total Fund Balances                        | <u>-</u>                                    | <u>-</u>         | <u>-</u>                            | <u>-</u>                                   |
| 4000 Total Liabilities and Fund Balances        | <u>\$ 288,269</u>                           | <u>\$ 10,379</u> | <u>\$ 348,738</u>                   | <u>\$ 75,791</u>                           |

| 499<br>Locally<br>Funded Spec<br>Revenue Funds | Total<br>Nonmajor<br>Special<br>Revenue Funds | 511<br>Debt<br>Service<br>Fund | 634<br>Capital<br>Projects<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|--------------------------------|------------------------------------|--|
| \$ -   | \$ 389,459                                    | \$ 8,382                       | \$ 45,503                          | \$ 443,344                                 |
| -  | 406,317                                       | 2,237,630                      | 11,185,510                         | 13,829,457                                 |
| -  | -   | 901,393                        | -                                  | 901,393                                    |
| -  | -   | (27,042)                       | -                                  | (27,042)                                   |
| -  | 14,990,346                                    | 3,598,597                      | -                                  | 18,588,943                                 |
| -  | -   | -                              | 2,478                              | 2,478                                      |
| 10,127   | 21,190,612                                    | 489,739                        | 1,422,800                          | 23,103,151                                 |
| <u>\$ 10,127</u>                               | <u>\$ 36,976,734</u>                          | <u>\$ 7,208,699</u>            | <u>\$ 12,656,291</u>               | <u>\$ 56,841,724</u>                       |
|  |   |                                |                                    |  |
| \$ -   | \$ 2,845,346                                  | \$ -                           | \$ 17,666                          | \$ 2,863,012                               |
| -  | 81,905  | -                              | -                                  | 81,905                                     |
| -  | 22,566,451                                    | 1,376,081                      | 474,404                            | 24,416,936                                 |
| -  | (24,936)                                      | -                              | 1,177,356                          | 1,152,420                                  |
| 10,127   | 10,889,472                                    | 804,886                        | -                                  | 11,694,358                                 |
| <u>10,127</u>                                  | <u>36,358,238</u>                             | <u>2,180,967</u>               | <u>1,669,426</u>                   | <u>40,208,631</u>                          |
|  |   |                                |                                    |  |
| -  | -   | 5,027,732                      | -                                  | 5,027,732                                  |
| -  | 441,801                                       | -                              | 5,074,658                          | 5,516,459                                  |
|  |   |                                |                                    |  |
| -  | 930,853                                       | -                              | 55,421                             | 986,274                                    |
| -  | 175,116                                       | -                              | -                                  | 175,116                                    |
| -  | (929,274)                                     | -                              | 5,856,786                          | 4,927,512                                  |
| <u>-</u>                                       | <u>618,496</u>                                | <u>5,027,732</u>               | <u>10,986,865</u>                  | <u>16,633,093</u>                          |
|  |   |                                |                                    |  |
| <u>\$ 10,127</u>                               | <u>\$ 36,976,734</u>                          | <u>\$ 7,208,699</u>            | <u>\$ 12,656,291</u>               | <u>\$ 56,841,724</u>                       |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

| Data<br>Control<br>Codes |  | 204<br>ESEA Title IV<br>Safe & Drug<br>Free Schools | 206<br>ESEA<br>Title X, Pt.C<br>Homeless | 211<br>ESEA I, A<br>Improving<br>Basic Program | 212<br>ESEA Title I<br>Part C<br>Migrant |
|--------------------------|--|---|--|--|--|
| REVENUES:                |  |   |  |  |  |
| 5700                     | Total Local and Intermediate Sources           | \$ -  | \$ -                                     | \$ -   | \$ -                                     |
| 5800                     | State Program Revenues                         | -   | -  | -  | -  |
| 5900                     | Federal Program Revenues                       | 114,713   | 50,915                                   | 27,143,340                                     | 2,223,978                                |
| 5020                     | Total Revenues                                 | 114,713   | 50,915                                   | 27,143,340                                     | 2,223,978                                |
| EXPENDITURES:            |  |   |  |  |  |
| Current:                 |  |   |  |  |  |
| 0011                     | Instruction                                    | -   | -  | 17,051,431                                     | 1,084,012                                |
| 0012                     | Instructional Resources and Media Services     | -   | -  | 1,588,093                                      | -  |
| 0013                     | Curriculum and Instructional Staff Development | -   | -  | 2,283,780                                      | 2,503                                    |
| 0021                     | Instructional Leadership                       | -   | -  | 847,127  | 181,147                                  |
| 0023                     | School Leadership                              | -   | -  | 301,497  | 1,383                                    |
| 0031                     | Guidance, Counseling and Evaluation Services   | 114,713   | -  | 522,753  | 100,855                                  |
| 0032                     | Social Work Services                           | -   | -  | -  | -  |
| 0033                     | Health Services                                | -   | -  | 1,547,508                                      | -  |
| 0034                     | Student (Pupil) Transportation                 | -   | -  | 5,734  | -  |
| 0036                     | Extracurricular Activities                     | -   | -  | 17,013   | -  |
| 0041                     | General Administration                         | -   | -  | 7,754  | -  |
| 0051                     | Facilities Maintenance and Operations          | -   | -  | 255,871  | -  |
| 0052                     | Security and Monitoring Services               | -   | -  | 1,475  | -  |
| 0053                     | Data Processing Services                       | -   | -  | -  | -  |
| 0061                     | Community Services                             | -   | 50,915                                   | 2,713,304                                      | 854,078                                  |
| Debt Service:            |  |   |  |  |  |
| 0071                     | Principal on Long Term Debt                    | -   | -  | -  | -  |
| 0072                     | Interest on Long Term Debt                     | -   | -  | -  | -  |
| 0073                     | Bond Issuance Cost and Fees                    | -   | -  | -  | -  |
| Capital Outlay:          |  |   |  |  |  |
| 0081                     | Facilities Acquisition and Construction        | -   | -  | -  | -  |
| 6030                     | Total Expenditures                             | 114,713   | 50,915                                   | 27,143,340                                     | 2,223,978                                |
| 1200                     | Net Change in Fund Balance                     | -   | -  | -  | -  |
| 0100                     | Fund Balance - July 1 (Beginning)              | -   | -  | -  | -  |
| 1300                     | Increase (Decrease) in Fund Balance            | -   | -  | -  | -  |
| 3000                     | Fund Balance - June 30 (Ending)                | \$ -  | \$ -                                     | \$ -   | \$ -                                     |

| 216<br>Title I<br>School<br>Improvement | 224<br>IDEA - Part B<br>Formula | 225<br>IDEA - Part B<br>Preschool | 231<br>Federal<br>Adult<br>Education | 244<br>Career and<br>Technical -<br>Basic Grant | 255<br>ESEA II.A<br>Training and<br>Recruiting | 261<br>Reading<br>First | 262<br>Title II, D<br>Education<br>Technology |
|---|---------------------------------|-----------------------------------|--------------------------------------|---|--|-------------------------|---|
| \$ -                                    | \$ -                            | \$ -                              | \$ -                                 | \$ -  | \$ -   | \$ -                    | \$ -  |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| 788,493                                 | 7,252,581                       | 122,386                           | 88,651                               | 1,058,943                                       | 5,264,356                                      | 2,612,901               | 87,597  |
| 788,493                                 | 7,252,581                       | 122,386                           | 88,651                               | 1,058,943                                       | 5,264,356                                      | 2,612,901               | 87,597  |
| 778,151                                 | 6,065,393                       | 122,386                           | -                                    | 1,053,909                                       | 3,443,379                                      | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| 10,342                                  | 97                              | -                                 | -                                    | 5,034   | 1,766,875                                      | 2,494,771               | 87,597  |
| -                                       | 31,002                          | -                                 | -                                    | -   | 52,268   | 20,692                  | -   |
| -                                       | -                               | -                                 | -                                    | -   | 1,834  | 97,438                  | -   |
| -                                       | 1,155,667                       | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | 422                             | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | 88,651                               | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| 788,493                                 | 7,252,581                       | 122,386                           | 88,651                               | 1,058,943                                       | 5,264,356                                      | 2,612,901               | 87,597  |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| -                                       | -                               | -                                 | -                                    | -   | -  | -                       | -   |
| \$ -                                    | \$ -                            | \$ -                              | \$ -                                 | \$ -  | \$ -   | \$ -                    | \$ -  |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

| Data<br>Control<br>Codes |  | 263<br>Title III, A<br>English Lang.<br>Acquisition | 265<br>Title IV, B<br>Community<br>Learning | 266<br>Title XIV<br>ARRA State<br>Stabilization | 269<br>Title V, Pt.A<br>Innovative<br>Programs |
|--------------------------|--|---|---|---|--|
|                          | REVENUES:                                      |   |   |   |  |
| 5700                     | Total Local and Intermediate Sources           | \$ -  | \$ -  | \$ -  | \$ -   |
| 5800                     | State Program Revenues                         | -   | -   | -   | -  |
| 5900                     | Federal Program Revenues                       | 1,527,703   | 805,914                                     | 12,641,682                                      | -  |
| 5020                     | Total Revenues                                 | 1,527,703   | 805,914                                     | 12,641,682                                      | -  |
|                          | EXPENDITURES:                                  |   |   |   |  |
|                          | Current:                                       |   |   |   |  |
| 0011                     | Instruction                                    | 1,305,907   | 566,835                                     | 12,641,682                                      | -  |
| 0012                     | Instructional Resources and Media Services     | -   | -   | -   | -  |
| 0013                     | Curriculum and Instructional Staff Development | 188,253   | -   | -   | -  |
| 0021                     | Instructional Leadership                       | 33,543  | 185,478                                     | -   | -  |
| 0023                     | School Leadership                              | -   | -   | -   | -  |
| 0031                     | Guidance, Counseling and Evaluation Services   | -   | -   | -   | -  |
| 0032                     | Social Work Services                           | -   | -   | -   | -  |
| 0033                     | Health Services                                | -   | -   | -   | -  |
| 0034                     | Student (Pupil) Transportation                 | -   | -   | -   | -  |
| 0036                     | Extracurricular Activities                     | -   | -   | -   | -  |
| 0041                     | General Administration                         | -   | -   | -   | -  |
| 0051                     | Facilities Maintenance and Operations          | -   | -   | -   | -  |
| 0052                     | Security and Monitoring Services               | -   | -   | -   | -  |
| 0053                     | Data Processing Services                       | -   | -   | -   | -  |
| 0061                     | Community Services                             | -   | 53,601                                      | -   | -  |
|                          | Debt Service:                                  |   |   |   |  |
| 0071                     | Principal on Long Term Debt                    | -   | -   | -   | -  |
| 0072                     | Interest on Long Term Debt                     | -   | -   | -   | -  |
| 0073                     | Bond Issuance Cost and Fees                    | -   | -   | -   | -  |
|                          | Capital Outlay:                                |   |   |   |  |
| 0081                     | Facilities Acquisition and Construction        | -   | -   | -   | -  |
| 6030                     | Total Expenditures                             | 1,527,703   | 805,914                                     | 12,641,682                                      | -  |
| 1200                     | Net Change in Fund Balance                     | -   | -   | -   | -  |
| 0100                     | Fund Balance - July 1 (Beginning)              | -   | -   | -   | -  |
| 1300                     | Increase (Decrease) in Fund Balance            | -   | -   | -   | -  |
| 3000                     | Fund Balance - June 30 (Ending)                | \$ -  | \$ -  | \$ -  | \$ -   |

| 274     | 276           | 279         | 280        | 283         | 284         | 285           | 286         |
|---------|---------------|-------------|------------|-------------|-------------|---------------|-------------|
| GEAR    | Title I - SIP | Title II, D | ESEA, X, C | IDEA, Pt. B | IDEA, Pt. B | ESEA I, A     | Title I SIP |
| Up      | Academy       | ARRA - Ed.  | ARRA       | ARRA        | ARRA        | Improving     | Academy     |
|         | Grant         | Technology  | Homeless   | Formula     | Preschool   | Basic Program | Grant ARRA  |
| \$ -    | \$ -          | \$ -        | \$ -       | \$ -        | \$ -        | \$ -          | \$ -        |
| -       | -             | -           | -          | -           | -           | -             | -           |
| 552,440 | 906,161       | 492,832     | 37,478     | 5,752,624   | 151,170     | 7,535,047     | 2,343,738   |
| 552,440 | 906,161       | 492,832     | 37,478     | 5,752,624   | 151,170     | 7,535,047     | 2,343,738   |
| 173,088 | 607,798       | -           | -          | 4,704,607   | 151,170     | 4,375,478     | 1,753,888   |
| -       | -             | -           | -          | -           | -           | -             | 27,268      |
| 6,570   | 298,363       | 492,832     | -          | 65,751      | -           | 2,310,416     | 419,895     |
| -       | -             | -           | -          | 309,988     | -           | 386,508       | -           |
| 2,255   | -             | -           | -          | -           | -           | 30,504        | 76,328      |
| 260,920 | -             | -           | -          | 614,126     | -           | -             | 35,787      |
| -       | -             | -           | -          | -           | -           | -             | -           |
| -       | -             | -           | -          | 4,011       | -           | -             | -           |
| -       | -             | -           | -          | -           | -           | -             | -           |
| -       | -             | -           | -          | 38,049      | -           | -             | -           |
| -       | -             | -           | -          | -           | -           | -             | -           |
| -       | -             | -           | -          | 4,996       | -           | -             | 1,849       |
| -       | -             | -           | -          | -           | -           | -             | -           |
| -       | -             | -           | -          | -           | -           | 432,141       | -           |
| 109,607 | -             | -           | 37,478     | 11,096      | -           | -             | 28,723      |
| -       | -             | -           | -          | -           | -           | -             | -           |
| -       | -             | -           | -          | -           | -           | -             | -           |
| -       | -             | -           | -          | -           | -           | -             | -           |
| 552,440 | 906,161       | 492,832     | 37,478     | 5,752,624   | 151,170     | 7,535,047     | 2,343,738   |
| -       | -             | -           | -          | -           | -           | -             | -           |
| -       | -             | -           | -          | -           | -           | -             | -           |
| -       | -             | -           | -          | -           | -           | -             | -           |
| \$ -    | \$ -          | \$ -        | \$ -       | \$ -        | \$ -        | \$ -          | \$ -        |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

| Data<br>Control<br>Codes |  | 289<br>Other Federal<br>Special<br>Revenue Funds | 309<br>SSA<br>Adult Basic<br>Education | 312<br>SSA - TANF<br>Family<br>Assistance | 315<br>SSA<br>IDEA, Part B<br>Discretionary |
|--------------------------|--|--|--|---|---|
| REVENUES:                |  |  |  |   |   |
| 5700                     | Total Local and Intermediate Sources           | \$ -   | \$ -                                   | \$ -                                      | \$ -  |
| 5800                     | State Program Revenues                         | -  | -                                      | -   | -   |
| 5900                     | Federal Program Revenues                       | -  | 495,270                                | 105,937                                   | 225,227                                     |
| 5020                     | Total Revenues                                 | -  | 495,270                                | 105,937                                   | 225,227                                     |
| EXPENDITURES:            |  |  |  |   |   |
| Current:                 |  |  |  |   |   |
| 0011                     | Instruction                                    | -  | -                                      | -   | 200,344                                     |
| 0012                     | Instructional Resources and Media Services     | -  | -                                      | -   | -   |
| 0013                     | Curriculum and Instructional Staff Development | -  | -                                      | -   | 5,545                                       |
| 0021                     | Instructional Leadership                       | -  | -                                      | -   | -   |
| 0023                     | School Leadership                              | -  | -                                      | -   | -   |
| 0031                     | Guidance, Counseling and Evaluation Services   | -  | -                                      | -   | -   |
| 0032                     | Social Work Services                           | -  | -                                      | -   | -   |
| 0033                     | Health Services                                | -  | -                                      | -   | -   |
| 0034                     | Student (Pupil) Transportation                 | -  | -                                      | -   | -   |
| 0036                     | Extracurricular Activities                     | -  | -                                      | -   | 19,338                                      |
| 0041                     | General Administration                         | -  | -                                      | -   | -   |
| 0051                     | Facilities Maintenance and Operations          | -  | -                                      | -   | -   |
| 0052                     | Security and Monitoring Services               | -  | -                                      | -   | -   |
| 0053                     | Data Processing Services                       | -  | -                                      | -   | -   |
| 0061                     | Community Services                             | -  | 495,270                                | 105,937                                   | -   |
| Debt Service:            |  |  |  |   |   |
| 0071                     | Principal on Long Term Debt                    | -  | -                                      | -   | -   |
| 0072                     | Interest on Long Term Debt                     | -  | -                                      | -   | -   |
| 0073                     | Bond Issuance Cost and Fees                    | -  | -                                      | -   | -   |
| Capital Outlay:          |  |  |  |   |   |
| 0081                     | Facilities Acquisition and Construction        | -  | -                                      | -   | -   |
| 6030                     | Total Expenditures                             | -  | 495,270                                | 105,937                                   | 225,227                                     |
| 1200                     | Net Change in Fund Balance                     | -  | -                                      | -   | -   |
| 0100                     | Fund Balance - July 1 (Beginning)              | -  | -                                      | -   | -   |
| 1300                     | Increase (Decrease) in Fund Balance            | -  | -                                      | -   | -   |
| 3000                     | Fund Balance - June 30 (Ending)                | \$ -   | \$ -                                   | \$ -                                      | \$ -  |

| 316<br>SSA<br>IDEA, Part B<br>Deaf | 317<br>SSA - IDEA, B<br>Preschool<br>Deaf | 340<br>SSA - IDEA C<br>Deaf - Early<br>Intervention | 385<br>Visually<br>Impaired<br>SSVI | 392<br>Non-Ed.<br>Community<br>Based Support | 394<br>Life<br>Skills<br>Program | 397<br>Advanced<br>Placement<br>Incentives | 401<br>Optional<br>Extended Year<br>Program |
|------------------------------------|---|---|-------------------------------------|--|----------------------------------|--|---|
| \$ -                               | \$ -                                      | \$ -  | \$ -                                | \$ -   | \$ -                             | \$ -                                       | \$ -  |
| -                                  | -   | -   | -                                   | -  | 72,844                           | 38,137                                     | 254,797                                     |
| 26,826                             | 2,123                                     | -   | -                                   | -  | -                                | -  | -   |
| 26,826                             | 2,123                                     | -   | -                                   | -  | 72,844                           | 38,137                                     | 254,797                                     |
| 26,826                             | 2,123                                     | -   | -                                   | -  | -                                | 15,595                                     | 203,528                                     |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | 22,542                                     | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | 244   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | 51,025                                      |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | 72,844                           | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| 26,826                             | 2,123                                     | -   | -                                   | -  | 72,844                           | 38,137                                     | 254,797                                     |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| -                                  | -   | -   | -                                   | -  | -                                | -  | -   |
| \$ -                               | \$ -                                      | \$ -  | \$ -                                | \$ -   | \$ -                             | \$ -                                       | \$ -  |



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

| Data<br>Control<br>Codes |  | 404<br>Student<br>Success<br>Initiative | 409<br>High School<br>Completion<br>and Success | 411<br>Technology<br>Allotment | 415<br>Kindergarten<br>and Pre-K<br>Grants |
|--------------------------|--|---|---|--------------------------------|--|
| REVENUES:                |  |   |   |                                |  |
| 5700                     | Total Local and Intermediate Sources           | \$ -                                    | \$ -  | \$ -                           | \$ -                                       |
| 5800                     | State Program Revenues                         | 886,685                                 | 479,482   | 1,349,923                      | 3,187,039                                  |
| 5900                     | Federal Program Revenues                       | -                                       | -   | -                              | -  |
| 5020                     | Total Revenues                                 | 886,685                                 | 479,482   | 1,349,923                      | 3,187,039                                  |
| EXPENDITURES:            |  |   |   |                                |  |
| Current:                 |  |   |   |                                |  |
| 0011                     | Instruction                                    | 698,731                                 | 173,150   | 1,183,537                      | 3,187,039                                  |
| 0012                     | Instructional Resources and Media Services     | -                                       | -   | -                              | -  |
| 0013                     | Curriculum and Instructional Staff Development | 184,672                                 | 140,382   | -                              | -  |
| 0021                     | Instructional Leadership                       | -                                       | -   | 71,945                         | -  |
| 0023                     | School Leadership                              | 3,282                                   | 32,608  | -                              | -  |
| 0031                     | Guidance, Counseling and Evaluation Services   | -                                       | 8,504   | -                              | -  |
| 0032                     | Social Work Services                           | -                                       | 120,000   | -                              | -  |
| 0033                     | Health Services                                | -                                       | -   | -                              | -  |
| 0034                     | Student (Pupil) Transportation                 | -                                       | -   | -                              | -  |
| 0036                     | Extracurricular Activities                     | -                                       | -   | -                              | -  |
| 0041                     | General Administration                         | -                                       | -   | -                              | -  |
| 0051                     | Facilities Maintenance and Operations          | -                                       | -   | -                              | -  |
| 0052                     | Security and Monitoring Services               | -                                       | -   | -                              | -  |
| 0053                     | Data Processing Services                       | -                                       | -   | -                              | -  |
| 0061                     | Community Services                             | -                                       | 4,838   | -                              | -  |
| Debt Service:            |  |   |   |                                |  |
| 0071                     | Principal on Long Term Debt                    | -                                       | -   | -                              | -  |
| 0072                     | Interest on Long Term Debt                     | -                                       | -   | -                              | -  |
| 0073                     | Bond Issuance Cost and Fees                    | -                                       | -   | -                              | -  |
| Capital Outlay:          |  |   |   |                                |  |
| 0081                     | Facilities Acquisition and Construction        | -                                       | -   | -                              | -  |
| 6030                     | Total Expenditures                             | 886,685                                 | 479,482   | 1,255,482                      | 3,187,039                                  |
| 1200                     | Net Change in Fund Balance                     | -                                       | -   | 94,441                         | -  |
| 0100                     | Fund Balance - July 1 (Beginning)              | -                                       | -   | 533,863                        | -  |
| 1300                     | Increase (Decrease) in Fund Balance            | -                                       | -   | (9,808)                        | -  |
| 3000                     | Fund Balance - June 30 (Ending)                | \$ -                                    | \$ -  | \$ 618,496                     | \$ -                                       |

| 418          | 419        | 426         | 427      | 428         | 429           | 431         | 432        |
|--------------|------------|-------------|----------|-------------|---------------|-------------|------------|
| Supplemental | Head Start | TX Educator | Security | High School | Other State   | SSA - ABE   | SSA - TANF |
| Compensation | Ready To   | Excellence  | Services | Allotment   | Special       | Educational | Temporary  |
|              | Read       | Award Grant | Grant    |             | Revenue Funds | Technology  | Assistance |
| \$ -         | \$ -       | \$ -        | \$ -     | \$ -        | \$ -          | \$ -        | \$ -       |
| -            | -          | -           | 75,317   | -           | 4,195,189     | 199,849     | -          |
| -            | -          | -           | -        | -           | 1,003,645     | -           | -          |
| -            | -          | -           | 75,317   | -           | 5,198,834     | 199,849     | -          |
| -            | -          | -           | -        | -           | 132,729       | -           | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | 15,098        | -           | -          |
| -            | -          | -           | -        | -           | 9,305         | -           | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | 6,552         | -           | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | 75,317   | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | 1,261         | 199,849     | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | 5,033,889     | -           | -          |
| -            | -          | -           | 75,317   | -           | 5,198,834     | 199,849     | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| -            | -          | -           | -        | -           | -             | -           | -          |
| \$ -         | \$ -       | \$ -        | \$ -     | \$ -        | \$ -          | \$ -        | \$ -       |

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

| Data<br>Control<br>Codes |  | 435<br>SSA<br>Regional Day<br>School - Deaf | 496<br>AVID | 497<br>Texas<br>HS Project<br>Grant | 498<br>Other Locally<br>Funded<br>Programs |
|--------------------------|--|---|-------------|-------------------------------------|--|
| REVENUES:                |  |   |             |                                     |  |
| 5700                     | Total Local and Intermediate Sources           | \$ -  | \$ -        | \$ -                                | \$ -                                       |
| 5800                     | State Program Revenues                         | 591,302                                     | -           | 287,684                             | 2,174                                      |
| 5900                     | Federal Program Revenues                       | -   | -           | -                                   | -  |
| 5020                     | Total Revenues                                 | 591,302                                     | -           | 287,684                             | 2,174                                      |
| EXPENDITURES:            |  |   |             |                                     |  |
| Current:                 |  |   |             |                                     |  |
| 0011                     | Instruction                                    | 488,051                                     | -           | 256,253                             | 2,174                                      |
| 0012                     | Instructional Resources and Media Services     | -   | -           | -                                   | -  |
| 0013                     | Curriculum and Instructional Staff Development | -   | -           | 19,803                              | -  |
| 0021                     | Instructional Leadership                       | 4,673                                       | -           | -                                   | -  |
| 0023                     | School Leadership                              | -   | -           | 5,306                               | -  |
| 0031                     | Guidance, Counseling and Evaluation Services   | 98,578                                      | -           | 3,185                               | -  |
| 0032                     | Social Work Services                           | -   | -           | -                                   | -  |
| 0033                     | Health Services                                | -   | -           | -                                   | -  |
| 0034                     | Student (Pupil) Transportation                 | -   | -           | -                                   | -  |
| 0036                     | Extracurricular Activities                     | -   | -           | -                                   | -  |
| 0041                     | General Administration                         | -   | -           | -                                   | -  |
| 0051                     | Facilities Maintenance and Operations          | -   | -           | -                                   | -  |
| 0052                     | Security and Monitoring Services               | -   | -           | -                                   | -  |
| 0053                     | Data Processing Services                       | -   | -           | -                                   | -  |
| 0061                     | Community Services                             | -   | -           | 3,137                               | -  |
| Debt Service:            |  |   |             |                                     |  |
| 0071                     | Principal on Long Term Debt                    | -   | -           | -                                   | -  |
| 0072                     | Interest on Long Term Debt                     | -   | -           | -                                   | -  |
| 0073                     | Bond Issuance Cost and Fees                    | -   | -           | -                                   | -  |
| Capital Outlay:          |  |   |             |                                     |  |
| 0081                     | Facilities Acquisition and Construction        | -   | -           | -                                   | -  |
| 6030                     | Total Expenditures                             | 591,302                                     | -           | 287,684                             | 2,174                                      |
| 1200                     | Net Change in Fund Balance                     | -   | -           | -                                   | -  |
| 0100                     | Fund Balance - July 1 (Beginning)              | -   | -           | -                                   | -  |
| 1300                     | Increase (Decrease) in Fund Balance            | -   | -           | -                                   | -  |
| 3000                     | Fund Balance - June 30 (Ending)                | \$ -  | \$ -        | \$ -                                | \$ -                                       |

|    | 499           | Total         | 511          | 634           | Total         |
|----|---------------|---------------|--------------|---------------|---------------|
|    | Locally       | Nonmajor      | Debt         | Capital       | Nonmajor      |
|    | Funded Spec   | Special       | Service      | Projects      | Governmental  |
|    | Revenue Funds | Revenue Funds | Fund         | Fund          | Funds         |
| \$ | -             | \$ -          | \$ 3,615,393 | \$ 21,090     | \$ 3,636,483  |
|    | -             | 11,620,422    | 11,647,775   | -             | 23,268,197    |
|    | -             | 81,414,671    | -            | -             | 81,414,671    |
|    | -             | 93,035,093    | 15,263,168   | 21,090        | 108,319,351   |
|    | -             | 62,449,194    | -            | -             | 62,449,194    |
|    | -             | 1,615,361     | -            | -             | 1,615,361     |
|    | -             | 10,821,121    | -            | -             | 10,821,121    |
|    | -             | 2,133,920     | -            | -             | 2,133,920     |
|    | -             | 603,460       | -            | -             | 603,460       |
|    | -             | 2,915,088     | -            | -             | 2,915,088     |
|    | -             | 120,000       | -            | -             | 120,000       |
|    | -             | 1,551,941     | -            | -             | 1,551,941     |
|    | -             | 5,734         | -            | -             | 5,734         |
|    | -             | 80,952        | -            | -             | 80,952        |
|    | -             | 7,754         | -            | -             | 7,754         |
|    | -             | 262,716       | -            | -             | 262,716       |
|    | -             | 76,792        | -            | -             | 76,792        |
|    | -             | 432,141       | -            | -             | 432,141       |
|    | -             | 4,830,589     | -            | -             | 4,830,589     |
|    | -             | -             | 7,380,000    | -             | 7,380,000     |
|    | -             | -             | 9,194,806    | -             | 9,194,806     |
|    | -             | -             | 1,418        | -             | 1,418         |
|    | -             | 5,033,889     | -            | 1,761,379     | 6,795,268     |
|    | -             | 92,940,652    | 16,576,224   | 1,761,379     | 111,278,255   |
|    | -             | 94,441        | (1,313,056)  | (1,740,289)   | (2,958,904)   |
|    | -             | 533,863       | 6,340,788    | 12,727,154    | 19,601,805    |
|    | -             | (9,808)       | -            | -             | (9,808)       |
| \$ | -             | \$ 618,496    | \$ 5,027,732 | \$ 10,986,865 | \$ 16,633,093 |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2011

|                           | 753        | 770                      | 791        | 792                                    |                                    |
|---------------------------|------------|--------------------------|------------|--|------------------------------------|
|                           | Insurance  | Self-Funded<br>Insurance | Catering   | Self Funded<br>Workers<br>Compensation | Total<br>Internal<br>Service Funds |
| <b>ASSETS</b>             |            |                          |            |  |                                    |
| Current Assets:           |            |                          |            |  |                                    |
| Cash and Cash Equivalents | \$ 783,068 | \$ 145                   | \$ 218,530 | \$ 10,406                              | \$ 1,012,149                       |
| Investments - Current     | 2,852,091  | -                        | -          | 7,417,255                              | 10,269,346                         |
| Accrued Interest          | -          | -                        | -          | 2,148                                  | 2,148                              |
| Due from Other Funds      | 764,356    | -                        | 203,375    | 3,990,043                              | 4,957,774                          |
| Other Receivables         | 659        | -                        | -          | 8,700,000                              | 8,700,659                          |
| Total Assets              | 4,400,174  | 145                      | 421,905    | 20,119,852                             | 24,942,076                         |
| <b>LIABILITIES</b>        |            |                          |            |  |                                    |
| Current Liabilities:      |            |                          |            |  |                                    |
| Accounts Payable          | 3,517,536  | -                        | 777        | 20,119,708                             | 23,638,021                         |
| Due to Other Funds        | 532,509    | -                        | 421,245    | -                                      | 953,754                            |
| Total Liabilities         | 4,050,045  | -                        | 422,022    | 20,119,708                             | 24,591,775                         |
| <b>NET ASSETS</b>         |            |                          |            |  |                                    |
| Unrestricted Net Assets   | 350,129    | 145                      | (117)      | 144                                    | 350,301                            |
| Total Net Assets          | \$ 350,129 | \$ 145                   | \$ (117)   | \$ 144                                 | \$ 350,301                         |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

|                                       | 753        | 770                      | 791        | 792                                    |                                    |
|---------------------------------------|------------|--------------------------|------------|--|------------------------------------|
|                                       | Insurance  | Self-Funded<br>Insurance | Catering   | Self Funded<br>Workers<br>Compensation | Total<br>Internal<br>Service Funds |
| OPERATING REVENUES:                   |            |                          |            |  |                                    |
| Local and Intermediate Sources        | \$ 65,525  | \$ -                     | \$ 127,123 | \$ 144                                 | \$ 192,792                         |
| Total Operating Revenues              | 65,525     | -                        | 127,123    | 144                                    | 192,792                            |
| OPERATING EXPENSES:                   |            |                          |            |  |                                    |
| Payroll Costs                         | -          | -                        | 93,439     | -                                      | 93,439                             |
| Professional and Contracted Services  | -          | -                        | 752        | -                                      | 752                                |
| Supplies and Materials                | -          | -                        | 30,486     | -                                      | 30,486                             |
| Total Operating Expenses              | -          | -                        | 124,677    | -                                      | 124,677                            |
| Operating Income                      | 65,525     | -                        | 2,446      | 144                                    | 68,115                             |
| Total Net Assets - July 1 (Beginning) | 136,992    | 5,299                    | (2,563)    | 548                                    | 140,276                            |
| Prior Period Adjustment               | 147,612    | (5,154)                  | -          | (548)                                  | 141,910                            |
| Total Net Assets - June 30 (Ending)   | \$ 350,129 | \$ 145                   | \$ (117)   | \$ 144                                 | \$ 350,301                         |





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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

|  | 753          | 770         | 791        | 792                     |                           |
|--|--------------|-------------|------------|-------------------------|---------------------------|
|  |              | Self-Funded |            | Self Funded             | Total                     |
|  | Insurance    | Insurance   | Catering   | Workers<br>Compensation | Internal<br>Service Funds |
| <u>Cash Flows from Operating Activities:</u>   |              |             |            |                         |                           |
| Cash Received from Customers   | \$ -         | \$ -        | \$ 221,004 | \$ -                    | \$ 221,004                |
| Cash Payments to Employees for Services  | -            | -           | (93,439)   | -                       | (93,439)                  |
| Cash Payments for Suppliers  | -            | -           | (31,238)   | -                       | (31,238)                  |
| Other Operating Cash Receipts (Payments)   | (114,077)    | (5,154)     | -          | (27,479)                | (146,710)                 |
| Net Cash Provided by (Used for) Operating Activities   | (114,077)    | (5,154)     | 96,327     | (27,479)                | (50,383)                  |
| Net Increase (Decrease) in Cash and Cash Equivalents   | (114,077)    | (5,154)     | 96,327     | (27,479)                | (50,383)                  |
| Cash and Cash Equivalents at Beginning of the Year:  | 897,145      | 5,299       | 122,203    | 37,885                  | 1,062,532                 |
| Cash and Cash Equivalents at the End of the Year:  | \$ 783,068   | \$ 145      | \$ 218,530 | \$ 10,406               | \$ 1,012,149              |
| <u>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</u> |              |             |            |                         |                           |
| Operating Income:  | \$ 65,525    | \$ -        | \$ 2,446   | \$ 144                  | \$ 68,115                 |
| Effect of Increases and Decreases in Current Assets and Liabilities:                               |              |             |            |                         |                           |
| Decrease (increase) in Current Investments   | 3,767,245    | -           | -          | 15,009,875              | 18,777,120                |
| Decrease (increase) in Accrued Interest  | -            | -           | -          | (1,600)                 | (1,600)                   |
| Decrease (increase) in Due from Other Funds  | (551,491)    | -           | (40,046)   | (3,990,043)             | (4,581,580)               |
| Decrease (increase) in Other Receivables   | (659)        | -           | -          | 650,000                 | 649,341                   |
| Increase (decrease) in Accounts Payable  | (3,556,269)  | -           | 443        | (2,189,472)             | (5,745,298)               |
| Increase (decrease) in Due to Other Funds  | 161,572      | (5,154)     | 133,484    | (9,505,744)             | (9,215,842)               |
| Increase (decrease) in Other Liabilities   | -            | -           | -          | (639)                   | (639)                     |
| Net Cash Provided by (Used for) Operating Activities   | \$ (114,077) | \$ (5,154)  | \$ 96,327  | \$ (27,479)             | \$ (50,383)               |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 JUNE 30, 2011

|                                     | BALANCE<br>JULY 1<br>2010 | ADDITIONS           | DEDUCTIONS          | BALANCE<br>JUNE 30<br>2011 |
|-------------------------------------|---------------------------|---------------------|---------------------|----------------------------|
| <b>STUDENT ACTIVITIES</b>           |                           |                     |                     |                            |
| Assets:                             |                           |                     |                     |                            |
| Cash and Temporary Investments      | \$ 1,221,626              | \$ 4,745,943        | \$ 4,655,232        | \$ 1,312,337               |
| Due From Other Funds                | 19,918                    | -                   | -                   | 19,918                     |
| Total Assets                        | <u>\$ 1,241,544</u>       | <u>\$ 4,745,943</u> | <u>\$ 4,655,232</u> | <u>\$ 1,332,255</u>        |
| Liabilities:                        |                           |                     |                     |                            |
| Accounts Payable                    | \$ 52,075                 | \$ 22,645           | \$ 22,484           | \$ 52,236                  |
| Due to Student Groups               | 1,189,469                 | 4,723,519           | 4,632,969           | 1,280,019                  |
| Total Liabilities                   | <u>\$ 1,241,544</u>       | <u>\$ 4,746,164</u> | <u>\$ 4,655,453</u> | <u>\$ 1,332,255</u>        |
| <b>BARRON WORKERS' COMPENSATION</b> |                           |                     |                     |                            |
| Assets:                             |                           |                     |                     |                            |
| Cash and Temporary Investments      | \$ -                      | \$ 424              | \$ 424              | \$ -                       |
| Due From Other Funds                | 10,821                    | -                   | 10,821              | -                          |
| Total Assets                        | <u>\$ 10,821</u>          | <u>\$ 424</u>       | <u>\$ 11,245</u>    | <u>\$ -</u>                |
| Liabilities:                        |                           |                     |                     |                            |
| Accounts Payable                    | \$ 4,036                  | \$ 210              | \$ 4,246            | \$ -                       |
| Due to Other Funds                  | 6,785                     | -                   | 6,785               | -                          |
| Total Liabilities                   | <u>\$ 10,821</u>          | <u>\$ 210</u>       | <u>\$ 11,031</u>    | <u>\$ -</u>                |
| <b>TOTAL AGENCY FUNDS</b>           |                           |                     |                     |                            |
| Assets:                             |                           |                     |                     |                            |
| Cash and Temporary Investments      | \$ 1,221,626              | \$ 4,746,367        | \$ 4,655,656        | \$ 1,312,337               |
| Due From Other Funds                | 30,739                    | -                   | 10,821              | 19,918                     |
| Total Assets                        | <u>\$ 1,252,365</u>       | <u>\$ 4,746,367</u> | <u>\$ 4,666,477</u> | <u>\$ 1,332,255</u>        |
| Liabilities:                        |                           |                     |                     |                            |
| Accounts Payable                    | \$ 56,111                 | \$ 22,855           | \$ 26,730           | \$ 52,236                  |
| Due to Other Funds                  | 6,785                     | -                   | 6,785               | -                          |
| Due to Student Groups               | 1,189,469                 | 4,723,519           | 4,632,969           | 1,280,019                  |
| Total Liabilities                   | <u>\$ 1,252,365</u>       | <u>\$ 4,746,374</u> | <u>\$ 4,666,484</u> | <u>\$ 1,332,255</u>        |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2011

|                           | 810<br>Campus<br>Crime<br>Stoppers | 816<br>Johnny &<br>Nena Cavazos<br>Athletic Fund | 829<br>Supt<br>Scholarship | Total<br>Private<br>Purpose<br>Trust Funds |
|---------------------------|------------------------------------|--|----------------------------|--|
| <b>ASSETS</b>             |                                    |  |                            |  |
| Current Assets:           |                                    |  |                            |  |
| Cash and Cash Equivalents | \$ 975                             | \$ 183,588                                       | \$ 1,295                   | \$ 185,858                                 |
| Due from Other Funds      | -                                  | 128,132  | 10,631                     | 138,763                                    |
| Total Assets              | 975                                | 311,720  | 11,926                     | 324,621                                    |
| <b>LIABILITIES</b>        |                                    |  |                            |  |
| Current Liabilities:      |                                    |  |                            |  |
| Accounts Payable          | 975                                | -  | -                          | 975  |
| Due to Student Groups     | -                                  | -  | 7,718                      | 7,718                                      |
| Total Liabilities         | 975                                | -  | 7,718                      | 8,693                                      |
| <b>NET ASSETS</b>         |                                    |  |                            |  |
| Unrestricted Net Assets   | -                                  | 311,720  | 4,208                      | 315,928                                    |
| Total Net Assets          | \$ -                               | \$ 311,720                                       | \$ 4,208                   | \$ 315,928                                 |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

| Data<br>Control<br>Codes              | 810<br>Campus<br>Crime<br>Stoppers | 816<br>Johnny &<br>Nena Cavazos<br>Athletic Fund | 829<br>Supt<br>Scholarship | Total<br>Private<br>Purpose<br>Trust Funds |
|---------------------------------------|------------------------------------|--|----------------------------|--|
| ADDITIONS:                            |                                    |  |                            |  |
| Local and Intermediate Sources        | \$ -                               | \$ -   | \$ 25                      | \$ 25                                      |
| Total Additions                       | -                                  | -  | 25                         | 25   |
| Change in Net Assets                  | -                                  | -  | 25                         | 25   |
| Total Net Assets - July 1 (Beginning) | -                                  | 264,220  | 4,183                      | 268,403                                    |
| Total Noncash Activities              | -                                  | 47,500   | -                          | 47,500                                     |
| Total Net Assets - June 30 (Ending)   | \$ -                               | \$ 311,720                                       | \$ 4,208                   | \$ 315,928                                 |





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**TEXAS EDUCATION AGENCY  
REQUIRED SCHEDULES**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED JUNE 30, 2011

| Last 10 Years                  | (1)         | (2)          | (3)  |
|--------------------------------|-------------|--------------|--|
|                                | Tax Rates   |              | Assessed/Appraised<br>Value for School<br>Tax Purposes |
|                                | Maintenance | Debt Service |  |
| 2002 and prior years           | Various     | Various      | \$ Various   |
| 2003                           | 1.427900    | 0.037700     | 3,151,355,675  |
| 2004                           | 1.467900    | 0.017700     | 3,372,158,099  |
| 2005                           | 1.471900    | 0.013700     | 3,695,481,340  |
| 2006                           | 1.438700    | 0.046900     | 3,895,196,875  |
| 2007                           | 1.315600    | 0.089800     | 4,218,109,323  |
| 2008                           | 1.019100    | 0.073200     | 4,773,440,004  |
| 2009                           | 1.019100    | 0.073200     | 4,909,923,402  |
| 2010                           | 1.012273    | 0.080027     | 4,993,708,059  |
| 2011 (School year under audit) | 1.019100    | 0.073200     | 5,009,567,679  |
| 1000 TOTALS                    |             |              |  |

|    | (10)<br>Beginning<br>Balance<br>7/1/2010 | (20)<br>Current<br>Year's<br>Total Levy | (31)<br>Maintenance<br>Collections | (32)<br>Debt Service<br>Collections | (40)<br>Entire<br>Year's<br>Adjustments | (50)<br>Ending<br>Balance<br>6/30/2011 |
|----|--|---|------------------------------------|-------------------------------------|---|--|
| \$ | 1,534,331                                | \$ -                                    | \$ 63,686                          | \$ 8,267                            | \$ (25,238)                             | \$ 1,437,140                           |
|    | 363,459                                  | -                                       | 24,921                             | 658                                 | (6,193)                                 | 331,687                                |
|    | 419,848                                  | -                                       | 34,870                             | 420                                 | (9,834)                                 | 374,724                                |
|    | 516,990                                  | -                                       | 48,054                             | 447                                 | (8,692)                                 | 459,797                                |
|    | 596,279                                  | -                                       | 89,624                             | 2,922                               | (9,964)                                 | 493,769                                |
|    | 934,891                                  | -                                       | 203,277                            | 13,875                              | (13,488)                                | 704,251                                |
|    | 1,142,643                                | -                                       | 322,578                            | 23,170                              | (8,090)                                 | 788,805                                |
|    | 2,021,566                                | -                                       | 695,160                            | 49,932                              | (5,310)                                 | 1,271,164                              |
|    | 4,792,147                                | -                                       | 2,458,761                          | 194,382                             | (117,318)                               | 2,021,686                              |
|    | -  | 53,617,610                              | 45,563,845                         | 3,272,766                           | (227,444)                               | 4,553,555                              |
| \$ | 12,322,154                               | \$ 53,617,610                           | \$ 49,504,776                      | \$ 3,566,839                        | \$ (431,571)                            | \$ 12,436,578                          |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2012-2013  
GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

**FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, 99 - APPRAISAL DISTRICT COST**

| Account Number | Account Name                                  | 1<br>(702)<br>School Board | 2<br>(703)<br>Tax Collections | 3<br>(701)<br>Supt's Office | 4<br>(750)<br>Indirect Cost | 5<br>(720)<br>Direct Cost | 6<br>(other)<br>Miscellaneous | 7<br>Total   |
|----------------|---|----------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|-------------------------------|--------------|
| 611X-6146      | PAYROLL COSTS                                 | \$ -                       | \$ -                          | \$ 378,041                  | \$ 5,508,627                | \$ -                      | \$ -                          | \$ 5,886,668 |
| 6149           | Leave for Separating Employees in Fn 41 & 53  | -                          | -                             | 632                         | -                           | -                         | -                             | 632          |
| 6149           | Leave - Separating Employees not in 41 & 53   | -                          | -                             | -                           | -                           | -                         | -                             | -            |
| 6211           | Legal Services                                | 468,252                    | -                             | -                           | -                           | -                         | -                             | 468,252      |
| 6212           | Audit Services                                | 51,500                     | -                             | -                           | -                           | -                         | -                             | 51,500       |
| 6213           | Tax Appraisal/Collection - Appraisal in Fn 99 | -                          | 791,445                       | -                           | -                           | -                         | -                             | 791,445      |
| 621X           | Other Professional Services                   | 3,700                      | -                             | -                           | 67,542                      | -                         | -                             | 71,242       |
| 6220           | Tuition and Transfer Payments                 | -                          | -                             | -                           | -                           | -                         | -                             | -            |
| 6230           | Education Service Centers                     | -                          | -                             | -                           | 6,210                       | -                         | -                             | 6,210        |
| 6240           | Contr. Maint. and Repair                      | -                          | -                             | -                           | 507,984                     | -                         | -                             | 507,984      |
| 6250           | Utilities                                     | -                          | -                             | -                           | -                           | -                         | -                             | -            |
| 6260           | Rentals                                       | 2,644                      | -                             | 10,443                      | 38,120                      | -                         | -                             | 51,207       |
| 6290           | Miscellaneous Contr.                          | 36,000                     | -                             | -                           | 191,055                     | -                         | -                             | 227,055      |
| 6320           | Textbooks and Reading                         | -                          | -                             | 108                         | 2,202                       | -                         | -                             | 2,310        |
| 6330           | Testing Materials                             | -                          | -                             | -                           | -                           | -                         | -                             | -            |
| 63XX           | Other Supplies Materials                      | 4,741                      | -                             | 7,935                       | 186,958                     | -                         | -                             | 199,634      |
| 6410           | Travel, Subsistence, Stipends                 | 57,347                     | -                             | 4,292                       | 85,246                      | -                         | -                             | 146,885      |
| 6420           | Ins. and Bonding Costs                        | -                          | -                             | -                           | -                           | -                         | -                             | -            |
| 6430           | Election Costs                                | -                          | -                             | -                           | -                           | -                         | -                             | -            |
| 6490           | Miscellaneous Operating                       | 30,841                     | -                             | 5,047                       | 95,390                      | -                         | -                             | 131,278      |
| 6500           | Debt Service                                  | -                          | -                             | -                           | -                           | -                         | -                             | -            |
| 6600           | Capital Outlay                                | -                          | -                             | -                           | -                           | -                         | 45,542                        | 45,542       |
| 6000           | TOTAL   | \$ 655,025                 | \$ 791,445                    | \$ 406,498                  | \$ 6,689,334                | \$ -                      | \$ 45,542                     | \$ 8,587,844 |

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 529,387,496

LESS: Deductions of Unallowable Costs  
FISCAL YEAR

|  |                    |
|--|--------------------|
| Total Capital Outlay (6600)                | (10) \$ 44,626,544 |
| Total Debt & Lease(6500)                   | (11) 5,517,339     |
| Plant Maintenance (Function 51, 6100-6400) | (12) 48,773,654    |
| Food (Function 35, 6341 and 6499)          | (13) 12,614,184    |
| Stipends (6413)                            | (14) -             |
| Column 4 (above) - Total Indirect Cost     | 6,689,334          |

SubTotal: 118,221,055

Net Allowed Direct Cost \$ 411,166,441

CUMULATIVE

|   |                     |
|---|---------------------|
| Total Cost of Buildings before Depreciation (1520)                    | (15) \$ 512,887,115 |
| Historical Cost of Building over 50 years old                         | (16) \$ 10,214,362  |
| Amount of Federal Money in Building Cost (Net of #16)                 | (17) \$ 8,823,065   |
| Total Cost of Furniture & Equipment before Depreciation (1530 & 1540) | (18) \$ 41,493,152  |
| Historical Cost of Furniture & Equipment over 16 years old            | (19) \$ 1,189,979   |
| Amount of Federal Money in Furniture & Equipment (Net of #19)         | (20) \$ 8,001,025   |

(8) NOTE A: \$1,802,468 in Function 53 expenditures are included in this report on administrative costs.

No Function 99 expenditures for appraisal district costs are included in this report on administrative costs.



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET  
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT J-3

**UNAUDITED**

|    |   |                        |
|----|---|------------------------|
| 1  | Total General Fund Balance as of 6/30/11 (Exhibit C-1 object 3000 for the General Fund Only)  | \$ 99,312,956          |
| 2  | Total Non-Spendable Fund Balance (from Exhibit C-1 - for the General Fund Only)   | \$ 4,422,662           |
| 3  | Total Restricted Fund Balance (from Exhibit C-1 - for the General Fund Only)  | 11,548,542             |
| 4  | Total Committed Fund Balance (from Exhibit C-1 - for the General Fund Only)   | 22,364,837             |
| 5  | Total Assigned Fund Balance (from Exhibit C-1 - for the General Fund Only)  | -                      |
| 6  | Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)  | -                      |
| 7  | Estimate of two month's average cash disbursements during the fiscal year.  | 48,818,125             |
| 8  | Estimate of delayed payments from state sources (58xx).   | 28,834,065             |
| 9  | Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount. | -                      |
| 10 | Estimate of delayed payments from federal sources (59xx)  | -                      |
| 11 | Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)                           | -                      |
| 12 | Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)  | <u>115,988,231</u>     |
| 13 | Excess (Deficit) Unassigned Fund Balance (Line 1 minus Line 13)   | <u>\$ (16,675,275)</u> |





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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2011

| Data<br>Control<br>Codes |                                       | Budgeted Amounts |              | Actual Amounts<br>(GAAP<br>Basis - See<br>Note III A) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|--------------------------|---------------------------------------|------------------|--------------|---|--|
|                          |                                       | Original         | Final        |   |  |
| REVENUES:                |                                       |                  |              |   |  |
| 5700                     | Total Local and Intermediate Sources  | \$ 1,434,441     | \$ 1,434,441 | \$ 1,428,118  | \$ (6,323)   |
| 5800                     | State Program Revenues                | 680,000          | 680,000      | 190,637   | (489,363)  |
| 5900                     | Federal Program Revenues              | 26,066,884       | 26,066,884   | 29,428,001  | 3,361,117  |
| 5020                     | Total Revenues                        | 28,181,325       | 28,181,325   | 31,046,756  | 2,865,431  |
| EXPENDITURES:            |                                       |                  |              |   |  |
| 0035                     | Food Services                         | 26,461,658       | 26,905,955   | 28,619,830  | (1,713,875)  |
| 0051                     | Facilities Maintenance and Operations | 1,719,667        | 1,719,667    | 1,707,746   | 11,921   |
| 6030                     | Total Expenditures                    | 28,181,325       | 28,625,622   | 30,327,576  | (1,701,954)  |
| 1200                     | Net Change in Fund Balances           | -                | (444,297)    | 719,180   | 1,163,477  |
| 0100                     | Fund Balance - July 1 (Beginning)     | 1,412,757        | 1,412,757    | 1,412,757   | -  |
| 3000                     | Fund Balance - June 30 (Ending)       | \$ 1,412,757     | \$ 968,460   | \$ 2,131,937  | \$ 1,163,477   |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2011

| Data<br>Control<br>Codes |                                      | Budgeted Amounts |              | Actual Amounts<br>(GAAP<br>Basis - See<br>Note III A) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|--------------------------|--------------------------------------|------------------|--------------|---|--|
|                          |                                      | Original         | Final        |   |  |
| REVENUES:                |                                      |                  |              |   |  |
| 5700                     | Total Local and Intermediate Sources | \$ 5,291,752     | \$ 5,291,752 | \$ 3,615,393  | \$ (1,676,359)   |
| 5800                     | State Program Revenues               | 11,318,638       | 11,318,638   | 11,647,775  | 329,137  |
| 5020                     | Total Revenues                       | 16,610,390       | 16,610,390   | 15,263,168  | (1,347,222)  |
| EXPENDITURES:            |                                      |                  |              |   |  |
| Debt Service:            |                                      |                  |              |   |  |
| 0071                     | Principal on Long Term Debt          | 7,380,000        | 7,380,000    | 7,380,000   | -  |
| 0072                     | Interest on Long Term Debt           | 9,194,808        | 9,194,808    | 9,194,806   | 2  |
| 0073                     | Bond Issuance Cost and Fees          | 35,582           | 35,582       | 1,418   | 34,164   |
| 6030                     | Total Expenditures                   | 16,610,390       | 16,610,390   | 16,576,224  | 34,166   |
| 1200                     | Net Change in Fund Balances          | -                | -            | (1,313,056)   | (1,313,056)  |
| 0100                     | Fund Balance - July 1 (Beginning)    | 6,340,788        | 6,340,788    | 6,340,788   | -  |
| 3000                     | Fund Balance - June 30 (Ending)      | \$ 6,340,788     | \$ 6,340,788 | \$ 5,027,732  | \$ (1,313,056)   |



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**CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULES BY SOURCE  
JUNE 30, 2011

|   | June 30,              |                       |
|---|-----------------------|-----------------------|
|   | 2011                  | 2010                  |
| <b>ASSETS</b>   |                       |                       |
| Land  | \$ 27,598,685         | \$ 27,594,132         |
| Building and Improvements                                   | 512,887,115           | 426,510,480           |
| Furniture, Equipment and Vehicles                           | 41,493,152            | 39,575,819            |
| Construction In Progress                                    | 74,793,846            | 124,007,405           |
| Total   | <u>\$ 656,772,798</u> | <u>\$ 617,687,836</u> |
| <b>INVESTMENTS IN CAPITAL ASSETS</b>                        |                       |                       |
| Investments in Capital Assets Acquired from<br>General Fund | \$ 372,161,492        | \$ 340,354,054        |
| Special Revenue Fund  | 11,455,070            | 5,938,388             |
| Capital Projects Fund                                       | 273,156,236           | 271,395,394           |
| Total   | <u>\$ 656,772,798</u> | <u>\$ 617,687,836</u> |





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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2011

| Function  | Land          | Building<br>and<br>Improvements | Furniture,<br>Equipment<br>and Vehicles | Construction<br>In<br>Progress | Total          |
|---|---------------|---------------------------------|---|--------------------------------|----------------|
| Instructional and Instructional<br>Related Services | \$ 4,776,997  | \$ 334,634                      | \$ 6,725,629                            | \$ -                           | \$ 11,837,260  |
| Instructional and School<br>Leadership              | -             | 40,047                          | 696,889                                 | -                              | 736,936        |
| Support Services - Student<br>(Pupil)               | 386,866       | 4,772,775                       | 24,779,568                              | -                              | 29,939,209     |
| Administration Services                             | -             | 15,069                          | 181,088                                 | -                              | 196,157        |
| Support Services - Nonstudent<br>Based              | 626,008       | 52,771,912                      | 7,731,442                               | -                              | 61,129,362     |
| Ancillary Services                                  | -             | -                               | 42,454                                  | -                              | 42,454         |
| Facilities  | 21,808,814    | 454,952,678                     | 1,336,082                               | 74,793,846                     | 552,891,420    |
| Total   | \$ 27,598,685 | \$ 512,887,115                  | \$ 41,493,152                           | \$ 74,793,846                  | \$ 656,772,798 |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION  
JUNE 30, 2011

| Function  | Balance<br>July 1,<br>2010 | Additions     | Deletions    | Adjustments | Balance<br>June 30,<br>2011 |
|---|----------------------------|---------------|--------------|-------------|-----------------------------|
| Instructional and Instructional<br>Related Services | \$ 10,554,594              | \$ 1,377,024  | \$ (94,057)  | \$ (300)    | \$ 11,837,261               |
| Instructional and School<br>Leadership              | 696,182                    | 46,183        | (5,430)      | -           | 736,935                     |
| Support Services - Student<br>(Pupil)               | 29,702,135                 | 276,516       | (39,440)     | -           | 29,939,211                  |
| Administration Services                             | 212,757                    | -             | (16,600)     | -           | 196,157                     |
| Support Services - Nonstudent<br>Based              | 60,659,372                 | 534,059       | (64,069)     | -           | 61,129,362                  |
| Ancillary Services                                  | 35,166                     | 7,288         | -            | -           | 42,454                      |
| Facilities  | 515,827,631                | 37,064,326    | -            | (539)       | 552,891,418                 |
| Total   | \$ 617,687,837             | \$ 39,305,396 | \$ (219,596) | \$ (839)    | \$ 656,772,798              |



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## **STATISTICAL SECTION**



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## BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

### STATISTICAL SECTION OVERVIEW

*This part of the District's comprehensive annual financial report presents detailed information to provide the readers of the District's financial information with a background for a better understanding of the information in the financial statements, note disclosures, and required supplementary information.*

The statistical section is organized in the following sections:

**Government-Wide Information** – This section contains schedules that reflect current year and past years amounts on the District's government-wide financial statements.

**Fund Information** – This section contains schedules that reflect current year and past years amounts on the District's fund financial statements.

**Revenue Capacity Information** – This section contains schedules that provide information about the District's most significant major own-source revenue, which is property taxes, and the factors that impact the District's ability to generate such revenue.

**Debt Capacity Information** – This section contains schedules that provide information on the District's current levels of outstanding debt, the District's ability to repay the debt, and to issue additional debt in the future.

**Demographic and Economic Information** – This section contains schedule that provide an understanding of the environment within which the District's financial activities take place.

**Operating Information** – This section contains schedules that provide information about the services the District provides and the activities it performs; such as, employees and facilities of the District.





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## **GOVERNMENT-WIDE INFORMATION**



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SCHEDULE 1  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
NET ASSETS BY COMPONENT

LAST EIGHT YEARS

(Unaudited)

|                                | Fiscal Year    |                |                |                |                |                |                |                |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           |
| <b>Governmental Activities</b> |                |                |                |                |                |                |                |                |
| Invested in Capital Assets     |                |                |                |                |                |                |                |                |
| Net of Related Debt            | \$ 153,436,185 | \$ 152,489,514 | \$ 171,184,508 | \$ 61,006,564  | \$ 95,604,744  | \$ 239,579,610 | \$ 252,449,434 | \$ 239,341,909 |
| Restricted                     | 57,451,563     | 98,358,180     | 81,665,840     | 229,355,987    | 235,087,962    | 17,636,587     | 47,228,007     | 50,582,763     |
| Unrestricted                   | 99,384,748     | 97,534,738     | 110,748,123    | 106,255,875    | 89,801,140     | 153,762,955    | 84,682,883     | 73,922,111     |
| Total Net Assets               | \$ 310,272,496 | \$ 348,382,432 | \$ 363,598,471 | \$ 396,618,426 | \$ 420,493,846 | \$ 410,979,152 | \$ 384,360,324 | \$ 363,846,783 |

Source: The District's Statement of Net Assets (Exhibit A-1)

Note: Comparative data is for eight years only, due to the implementation of GASB Statement 34 effective September 1, 2001.

SCHEDULE 2  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES EXPENSES & PROGRAM REVENUES

LAST EIGHT YEARS

(Unaudited)

|   | Fiscal Year      |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2004             | 2005             | 2006             | 2007             |
| <b>Expenses</b>                                   |                  |                  |                  |                  |
| Governmental Activities:                          |                  |                  |                  |                  |
| Instruction                                       | \$ 198,820,719   | \$ 190,802,261   | \$ 225,127,661   | \$ 235,656,199   |
| Instructional Resources & Media Services          | 7,349,494        | 5,810,592        | 8,298,444        | 7,082,218        |
| Curriculum & Staff Development                    | 9,838,935        | 9,926,103        | 12,710,160       | 13,073,733       |
| Instructional Leadership                          | 5,408,783        | 4,375,756        | 5,481,316        | 6,191,546        |
| School Leadership                                 | 18,409,987       | 15,715,709       | 19,982,255       | 21,261,506       |
| Guidance, Counseling & Evaluation Services        | 13,537,844       | 12,985,210       | 14,261,105       | 15,708,534       |
| Social Work Services                              | 752,463          | 391,898          | 514,318          | 520,648          |
| Health Services                                   | 3,617,567        | 3,437,790        | 3,774,733        | 4,452,657        |
| Student (Pupil) Transportation                    | 9,632,174        | 9,817,842        | 11,877,527       | 13,088,226       |
| Food Services                                     | 24,265,522       | 23,620,249       | 26,407,131       | 28,341,364       |
| Cocurricular/Extracurricular Activities           | 9,681,919        | 8,863,883        | 12,121,352       | 13,405,545       |
| General Administration                            | 9,762,781        | 8,383,267        | 10,310,051       | 11,121,851       |
| Plant Maintenance & Operations                    | 32,483,497       | 28,726,621       | 39,631,342       | 43,270,873       |
| Security & Monitoring Services                    | 3,078,800        | 2,742,852        | 3,566,191        | 3,909,690        |
| Data Processing Services                          | 1,830,399        | 1,679,255        | 1,897,662        | 2,240,079        |
| Community Services                                | 3,297,355        | 3,692,366        | 3,815,334        | 4,165,693        |
| Debt Service - Interest on Long Term Debt         | 5,439,580        | 2,602,523        | 4,999,747        | 7,866,188        |
| Debt Service - Bond Issuance Cost & Fees          | 10,958           | 9,279            | 304,446          | 735,785          |
| Facilities Acquisition & Construction             | -                | -                | -                | -                |
| Payments to Juvenile Justice Alternative Ed. Prg. | -                | -                | 34,886           | 103,152          |
| Total Governmental Activities                     | 357,218,777      | 333,583,456      | 405,115,661      | 432,195,487      |
| <b>Program Revenues</b>                           |                  |                  |                  |                  |
| Charges for Services                              |                  |                  |                  |                  |
| Instruction                                       | 902,814          | 802,992          | 975,830          | 841,225          |
| Instructional Resources and Media Services        | -                | -                | -                | -                |
| Curriculum and Instructional Staff Development    | 8,209            | -                | -                | -                |
| Instructional Leadership                          | -                | -                | -                | -                |
| School Leadership                                 | -                | -                | -                | -                |
| Guidance, Counseling and Evaluation Services      | -                | -                | -                | -                |
| Social Work Services                              | -                | -                | -                | -                |
| Health Services                                   | -                | -                | -                | -                |
| Student (Pupil) Transportation                    | -                | -                | -                | -                |
| Food Services                                     | 1,250,211        | 1,226,537        | 1,306,641        | 1,371,261        |
| Extracurricular Activities                        | 378,632          | 337,198          | 321,630          | 357,281          |
| General Administration                            | -                | -                | -                | -                |
| Plant Maintenance and Operations                  | -                | -                | -                | -                |
| Security and Monitoring Services                  | -                | -                | -                | -                |
| Data Processing Services                          | -                | -                | -                | -                |
| Community Services                                | 77,169           | 71,812           | 55,553           | 87,070           |
| Debt Service - Interest on Long Term Debt         | -                | -                | -                | -                |
| Debt Service - Bond Issuance Cost & Fees          | -                | -                | -                | -                |
| Facilities Acquisition & Construction             | -                | -                | -                | -                |
| Operating Grants and Contributions                | 64,272,584       | 64,729,396       | 70,078,445       | 73,063,663       |
| <b>Total Governmental Activities</b>              |                  |                  |                  |                  |
| <b>Program Revenues</b>                           | 66,889,619       | 67,167,935       | 72,738,099       | 75,720,500       |
| <b>Net Governmental Activities</b>                |                  |                  |                  |                  |
| <b>Revenue/(Expense)</b>                          | \$ (290,329,158) | \$ (266,415,521) | \$ (332,377,562) | \$ (356,474,987) |

Source: The District's Statement of Activities (Exhibit B-1)

Note: Comparative data is for eight years only, due to the implementation of GASB Statement 34 effective September 1, 2001.

|    | 2008          | 2009             | 2010             | 2011             |
|----|---------------|------------------|------------------|------------------|
| \$ | 251,458,965   | \$ 263,214,508   | \$ 280,044,296   | \$ 283,753,243   |
|    | 7,429,329     | 8,386,006        | 9,091,704        | 9,145,005        |
|    | 12,468,934    | 14,793,150       | 15,554,587       | 19,505,830       |
|    | 6,731,053     | 7,059,359        | 8,002,797        | 7,834,698        |
|    | 22,234,884    | 23,438,655       | 24,551,960       | 25,044,466       |
|    | 16,262,550    | 17,738,872       | 18,234,605       | 18,254,355       |
|    | 500,457       | 711,711          | 764,709          | 765,569          |
|    | 4,874,905     | 5,405,783        | 5,427,344        | 5,705,521        |
|    | 13,386,936    | 13,147,513       | 14,715,541       | 13,509,625       |
|    | 28,453,632    | 27,575,534       | 30,062,988       | 29,764,725       |
|    | 14,333,394    | 13,531,209       | 10,084,446       | 16,653,137       |
|    | 11,628,184    | 12,319,564       | 12,138,098       | 12,670,295       |
|    | 47,109,642    | 48,055,290       | 50,388,704       | 51,408,170       |
|    | 4,784,350     | 5,538,612        | 5,904,597        | 6,350,712        |
|    | 2,440,008     | 3,038,063        | 2,908,275        | 3,661,103        |
|    | 4,226,094     | 4,941,913        | 5,270,769        | 5,750,327        |
|    | 10,209,593    | 9,864,827        | 9,800,715        | 10,357,075       |
|    | 19,442        | 96,332           | 31,947           | 686,668          |
|    | -             | -                | -                | -                |
|    | 97,558        | 148,558          | 227,879          | 209,466          |
|    | 458,649,910   | 479,005,459      | 503,205,961      | 521,029,990      |
|    | 1,010,092     | 1,164,731        | 1,606,651        | 1,884,347        |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | 1,528,468     | 1,419,206        | 1,238,788        | 1,422,678        |
|    | 344,025       | 343,771          | 367,206          | 452,862          |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | 88,226        | 479,153          | 117,487          | 105,954          |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | -             | -                | -                | -                |
|    | 75,268,303    | 82,140,558       | 98,592,857       | 137,170,598      |
|    | 78,239,114    | 85,547,419       | 101,922,989      | 141,036,439      |
| \$ | (380,410,796) | \$ (393,458,040) | \$ (401,282,972) | \$ (379,993,551) |

SCHEDULE 3  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GENERAL REVENUES AND CHANGES IN NET ASSETS

LAST EIGHT YEARS

(Unaudited)

|  | Fiscal Year      |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2004             | 2005             | 2006             | 2007             |
| <b>Net Governmental Activities</b>           |                  |                  |                  |                  |
| <b>Revenue /(Expense)</b>                    | \$ (290,329,158) | \$ (266,415,521) | \$ (332,377,562) | \$ (356,474,987) |
| General Revenues and Changes in Net Assets:  |                  |                  |                  |                  |
| Property Taxes - M&O                         | 48,788,334       | 52,878,425       | 54,900,026       | 57,100,739       |
| Property Taxes - Debt Service                | 1,369,951        | 1,382,834        | 2,672,946        | 4,777,354        |
| State Aid                                    | 253,487,266      | 228,779,857      | 252,078,847      | 256,856,481      |
| Grants & Contributions not Restricted        | 20,841,629       | 18,809,954       | 27,912,159       | 53,491,917       |
| Investment Earnings                          | 2,302,612        | 4,021,279        | 9,262,177        | 17,281,072       |
| Special Item                                 | 2,319,010        | 347,248          | 1,179,641        | 187,043          |
| Special - (Use)                              | (95,242)         | (456,883)        | (973,775)        | (1,608,033)      |
| Extraordinary Item - resource                | -                | -                | -                | 1,794,147        |
| Miscellaneous Local and Intermediate Revenue | -                | -                | -                | -                |
| Total General Revenues                       | 329,013,560      | 305,762,714      | 347,032,021      | 389,880,720      |
| Change in Net Assets                         | \$ 38,684,402    | \$ 39,347,193    | \$ 14,654,459    | \$ 33,405,733    |

Source: The District's Statement of Activities (Exhibit B-1)

Note: Comparative data is for eight years only, due to the implementation of GASB Statement 34 effective September 1, 2001.

| 2008             | 2009             | 2010             | 2011             |
|------------------|------------------|------------------|------------------|
| \$ (380,410,796) | \$ (393,458,040) | \$ (401,282,972) | \$ (379,993,551) |
| 47,622,425       | 50,698,836       | 49,108,507       | 49,247,771       |
| 4,866,150        | 3,608,402        | 5,713,455        | 3,480,992        |
| 273,801,373      | 279,184,838      | 273,485,573      | 280,086,312      |
| 48,965,278       | 46,407,489       | 47,456,785       | 29,720,120       |
| 17,368,044       | 6,867,205        | 576,057          | 327,543          |
| 2,656,772        | 222,344          | -                | -                |
| (1,669,850)      | -                | -                | -                |
| 500,500          | -                | -                | -                |
| -                | -                | -                | 606,897          |
| 394,110,692      | 386,989,114      | 376,340,377      | 363,469,635      |
| \$ 13,699,896    | \$ (6,468,926)   | \$ (24,942,595)  | \$ (16,523,916)  |





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## **FUND INFORMATION**

SCHEDULE 4  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN YEARS

(Unaudited)

|   | 2002                  | 2003                  | 2004                  | 2005                  | 2006                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>General Fund</b>                           |                       |                       |                       |                       |                       |
| <i>Reserved Fund Balances:</i>                |                       |                       |                       |                       |                       |
| Investments in Inventory                      | \$ 3,989,420          | \$ 3,520,491          | \$ 3,195,213          | \$ 3,725,141          | \$ 3,952,630          |
| Retirement of Long-Term Debt                  | -                     | -                     | -                     | 178,062               | 172,868               |
| Federal or State Funds Grant Restriction      | -                     | -                     | -                     | -                     | -                     |
| Outstanding Encumbrances                      | 8,116,068             | 5,155,218             | 3,527,911             | 10,549,147            | 11,816,841            |
| Food Service                                  | 1,483,059             | 7,834,877             | 7,897,198             | 7,160,197             | 7,063,466             |
| Other Restricted Fund Balance                 | -                     | -                     | -                     | -                     | -                     |
| Other Purposes                                | 10,617,984            | 12,199,625            | 11,824,307            | 20,862,132            | 15,921,314            |
| <i>Unreserved Designated For:</i>             |                       |                       |                       |                       |                       |
| Construction                                  | 7,253,170             | 8,822,619             | 11,091,043            | 40,438,286            | 26,034,570            |
| Capital/Expenditures for Equipment            | 25,000                | -                     | -                     | -                     | -                     |
| Other Committed Fund Balance                  | -                     | -                     | -                     | -                     | -                     |
| Other Purposes                                | 26,380,099            | -                     | -                     | -                     | 850,000               |
| <i>Unreserved and Undesignated:</i>           |                       |                       |                       |                       |                       |
| Reported in the General Fund                  | 34,496,186            | 62,979,829            | 98,815,933            | 84,797,128            | 99,630,833            |
| Unassigned Fund Balance                       | -                     | -                     | -                     | -                     | -                     |
| <b>Total General Fund Balance</b>             | <b>92,360,986</b>     | <b>100,512,659</b>    | <b>136,351,605</b>    | <b>167,710,093</b>    | <b>165,442,522</b>    |
| <b>All Other Governmental Funds</b>           |                       |                       |                       |                       |                       |
| <i>Reserved, Reported In:</i>                 |                       |                       |                       |                       |                       |
| Special Revenues                              |                       |                       |                       |                       |                       |
| Outstanding Encumbrances                      | -                     | -                     | -                     | 6,310                 | 126,247               |
| Food Service                                  | 375,183               | 375,183               | -                     | -                     | -                     |
| Other Restricted Fund Balance                 | -                     | -                     | -                     | -                     | -                     |
| Other Reserves                                | 1,854,554             | 2,022,909             | 2,034,223             | 2,110,798             | 1,463,554             |
| Construction                                  | -                     | -                     | -                     | -                     | -                     |
| Other Committed Fund Balance                  | -                     | -                     | -                     | -                     | -                     |
| Debt Service                                  |                       |                       |                       |                       |                       |
| Retirement of Long Term Debt                  | 5,553,219             | 4,848,987             | 3,610,532             | 7,582,861             | 9,579,439             |
| Outstanding Encumbrances                      | -                     | -                     | -                     | -                     | -                     |
| Capital Projects                              |                       |                       |                       |                       |                       |
| Outstanding Encumbrances                      | 21,236,452            | 25,431,250            | 6,869,468             | 3,086,876             | 6,515                 |
| Other Purposes                                | 22,536,518            | 10,871,073            | 7,789,986             | 4,023,645             | 5,074,658             |
| Other Restricted Fund Balance                 | -                     | -                     | -                     | -                     | -                     |
| Construction                                  | -                     | -                     | -                     | -                     | -                     |
| <i>Unreserved and Undesignated:</i>           |                       |                       |                       |                       |                       |
| Reported in the Capital Projects funds        | -                     | -                     | -                     | -                     | -                     |
| Reported in Special Revenue funds             | -                     | (46,810)              | (388,318)             | (1,365,275)           | (396,262)             |
| Total All Other Governmental Fund Balance     | 51,555,926            | 43,502,592            | 19,915,891            | 15,445,215            | 15,854,151            |
| <b>Total Government Funds -- Fund Balance</b> | <b>\$ 143,916,912</b> | <b>\$ 144,015,251</b> | <b>\$ 156,267,496</b> | <b>\$ 183,155,308</b> | <b>\$ 181,296,673</b> |
| <b>Governmental Funds</b>                     |                       |                       |                       |                       |                       |
| Beginning Fund Balance                        | \$ 159,958,285        | \$ 159,239,799        | \$ 159,338,138        | \$ 171,590,383        | \$ 198,478,195        |
| Net Change in Fund Balance                    | (718,486)             | 98,339                | 12,252,245            | 26,887,812            | (1,858,635)           |
| <b>Ending Balance</b>                         | <b>\$ 159,239,799</b> | <b>\$ 159,338,138</b> | <b>\$ 171,590,383</b> | <b>\$ 198,478,195</b> | <b>\$ 196,619,560</b> |

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditures and changes in Fund Balances.

Note: Prior to 2005 fiscal year began September 1st and ended August 31st. In 2005 instead of ending August 31st, the District ended their fiscal year June 30, 2006 and on the District's fiscal year starts July 1st and ends June 30th.

|    | 2007        | 2008         | 2009         | 2010         | 2011         |
|----|-------------|--------------|--------------|--------------|--------------|
| \$ | 5,073,314   | \$ 4,440,512 | \$ 4,980,783 | \$ 4,893,251 | \$ 4,422,662 |
|    | 172,868     | 165,895      | 3,920        | 3,919        | -            |
|    | -           | -            | -            | -            | 11,326,313   |
|    | 15,417,596  | 13,535,457   | 10,855,448   | 25,960,333   | -            |
|    | 7,238,318   | 5,550,630    | 1,693,073    | 2,613        | -            |
|    | -           | -            | -            | -            | 222,229      |
|    | 16,711,053  | 17,129,854   | 11,216,238   | 4,806,460    | -            |
|    | 33,779,582  | 50,393,914   | 31,953,995   | 5,803,488    | 22,364,837   |
|    | -           | -            | -            | -            | -            |
|    | -           | -            | -            | -            | 541,141      |
|    | -           | -            | -            | -            | -            |
|    | 94,599,727  | 84,885,826   | 88,167,972   | 76,111,051   | -            |
|    | -           | -            | -            | -            | 60,435,774   |
|    | 172,992,458 | 176,102,088  | 148,871,429  | 117,581,115  | 99,312,956   |

|    |             |                |                |                |                |
|----|-------------|----------------|----------------|----------------|----------------|
|    | 52,238      | 57,921         | 56,608         | 2,129,059      | -              |
|    | -           | -              | -              | -              | -              |
|    | -           | -              | -              | -              | 441,801        |
|    | 1,246,819   | 1,230,326      | 451,609        | 451,609        | -              |
|    | -           | -              | -              | -              | 930,853        |
|    | -           | -              | -              | -              | 175,116        |
|    | 8,488,045   | 7,527,191      | 7,415,666      | 6,340,788      | 5,027,732      |
|    | -           | -              | -              | -              | -              |
|    | 3,763,740   | 65,678,823     | 20,471,549     | 3,099,866      | -              |
|    | 5,074,658   | 5,074,658      | 5,074,657      | 5,074,657      | -              |
|    | -           | -              | -              | -              | 5,074,658      |
|    | -           | -              | -              | -              | 55,421         |
|    | 132,276,179 | 64,199,140     | 14,656,385     | 4,552,631      | 5,856,786      |
|    | 61,577      | 103,641        | 71,825         | (2,046,805)    | (929,274)      |
|    | 150,963,256 | 143,871,700    | 48,198,299     | 19,601,805     | 16,633,093     |
| \$ | 323,955,714 | \$ 319,973,788 | \$ 197,069,728 | \$ 137,182,920 | \$ 115,946,049 |

|    |             |                |                |                |                |
|----|-------------|----------------|----------------|----------------|----------------|
| \$ | 196,619,560 | \$ 339,278,601 | \$ 319,973,788 | \$ 197,069,728 | \$ 137,182,920 |
|    | 142,659,041 | (3,981,926)    | (122,904,060)  | (59,886,808)   | (21,236,871)   |
| \$ | 339,278,601 | \$ 335,296,675 | \$ 197,069,728 | \$ 137,182,920 | \$ 115,946,049 |



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SCHEDULE 5  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND REVENUES BY SOURCE

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Local and Intermediate Sources |            |              | State Programs               |                           |              | Federal<br>Programs | Total          |
|----------------|--------------------------------|------------|--------------|------------------------------|---------------------------|--------------|---------------------|----------------|
|                | Property<br>Tax                | Tuition    | Other        | Per Capita<br>and Foundation | On-behalf<br>TRS Payments | Other        |                     |                |
| 2002           | \$41,191,602                   | \$ 526,523 | \$ 7,114,003 | \$ 218,601,200               | \$ 11,567,425             | \$ 4,736,326 | \$ 51,901,931       | \$ 335,639,010 |
| 2003           | 45,397,092                     | 595,230    | 4,767,891    | 229,956,700                  | 11,887,202                | 16,308,114   | 56,917,738          | 365,829,967    |
| 2004           | 49,461,019                     | 584,243    | 4,364,197    | 253,487,266                  | 11,502,122                | 5,972,967    | 67,639,124          | 393,010,938    |
| 2005           | 51,234,121                     | 501,806    | 5,977,413    | 228,779,857                  | 9,287,720                 | 3,511,979    | 70,739,652          | 370,032,548    |
| 2006           | 59,488,916                     | 567,931    | 11,392,644   | 252,776,852                  | 11,660,390                | 7,280,359    | 78,313,105          | 421,480,197    |
| 2007           | 61,252,617                     | 495,935    | 19,482,159   | 274,395,670                  | 12,855,417                | 16,933,015   | 79,187,774          | 464,602,587    |
| 2008           | 52,642,945                     | 578,524    | 19,760,410   | 286,258,776                  | 13,254,419                | 19,469,958   | 79,555,189          | 471,520,221    |
| 2009           | 53,389,684                     | 588,449    | 11,096,985   | 290,732,408                  | 13,646,577                | 20,831,992   | 82,428,653          | 472,714,748    |
| 2010           | 53,895,159                     | 593,297    | 3,969,433    | 282,771,446                  | 14,192,422                | 16,337,762   | 106,233,585         | 477,993,104    |
| 2011           | 53,675,683                     | 590,133    | 3,606,080    | 309,960,900                  | 14,611,309                | 3,767,198    | 118,637,623         | 504,848,926    |

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances; Exhibits J-1; and Notes to Financial Statements.

SCHEDULE 6  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Instruction and<br>Instructional<br>Related<br>Services | Instructional<br>and<br>School<br>Leadership | Support<br>Services<br>Student<br>(Pupil) | Administrative<br>Support<br>Services | Support<br>Services<br>Nonstudent<br>Based | Ancillary<br>Services |
|----------------|---|--|---|---------------------------------------|--|-----------------------|
| 2002           | \$ 203,127,797  | \$ 22,619,080                                | \$ 61,435,926                             | \$ 10,163,610                         | \$ 35,640,477                              | \$ 2,487,299          |
| 2003           | 209,064,558   | 23,757,017                                   | 59,316,261                                | 10,490,330                            | 36,905,260                                 | 2,568,151             |
| 2004           | 211,056,891   | 23,299,272                                   | 62,520,333                                | 9,545,271                             | 36,594,986                                 | 3,220,729             |
| 2005 *         | 201,799,234   | 19,610,952                                   | 58,211,747                                | 8,265,362                             | 33,180,193                                 | 3,603,119             |
| 2006           | 239,325,970   | 24,635,601                                   | 69,124,621                                | 9,949,899                             | 44,197,890                                 | 3,800,770             |
| 2007           | 248,787,841   | 26,672,500                                   | 74,944,973                                | 10,805,892                            | 48,559,983                                 | 4,044,827             |
| 2008           | 264,756,508   | 28,197,129                                   | 77,081,715                                | 11,317,309                            | 53,207,299                                 | 4,208,853             |
| 2009           | 277,097,188   | 29,517,110                                   | 75,512,179                                | 11,911,112                            | 55,004,482                                 | 4,774,257             |
| 2010           | 296,935,894   | 31,721,644                                   | 79,251,845                                | 11,742,923                            | 58,180,291                                 | 5,113,327             |
| 2011           | 299,253,743   | 31,400,841                                   | 81,062,008                                | 12,060,545                            | 58,972,563                                 | 5,491,028             |

Source: The District's Annual Financial Report - Governmental Funds Statements of Revenues, Fund Expenditures, and Changes in Balances.

Note: Operating expenditures excludes capital outlay (Function 81)

\* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. In 2005 instead of ending August 31st, the district ended their fiscal year June 30th. 2006 and on the District's fiscal year starts July 1st and ends June 30th.

| Debt<br>Service<br>Principal | Debt<br>Service<br>Interest<br>and Other | Capital<br>Outlay | Inter-<br>Governmental<br>Charges | Total<br>Governmental Fund<br>Expenditures | Ratio of<br>Debt Service<br>to Operating<br>Expenditures |
|------------------------------|--|-------------------|-----------------------------------|--|--|
| \$ 6,920,000                 | \$ 5,755,481                             | \$ 24,805,857     | \$ -                              | \$ 372,955,527                             | 3.78%  |
| 5,375,000                    | 5,332,413                                | 13,714,065        | -                                 | 366,523,055                                | 3.13%  |
| 5,175,000                    | 5,521,842                                | 34,696,336        | -                                 | 391,630,660                                | 3.09%  |
| 460,000                      | 2,606,709                                | 15,478,061        | -                                 | 343,215,377                                | 0.94%  |
| 2,880,000                    | 5,594,039                                | 24,819,146        | 34,886                            | 424,362,822                                | 2.17%  |
| 9,950,000                    | 9,200,003                                | 25,664,640        | 103,152                           | 458,733,811                                | 4.63%  |
| 6,990,000                    | 10,554,188                               | 30,651,788        | 97,558                            | 487,062,347                                | 4.00%  |
| 7,310,000                    | 10,413,099                               | 121,189,943       | 148,558                           | 592,877,928                                | 3.91%  |
| 7,095,000                    | 10,752,816                               | 47,440,171        | 227,879                           | 548,461,790                                | 3.70%  |
| 10,930,000                   | 11,163,563                               | 37,181,977        | 209,467                           | 547,725,735                                | 4.53%  |



SCHEDULE 7  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUNDS OTHER SOURCES, USES  
AND CHANGES IN FUND BALANCES

LAST TEN YEARS

(Unaudited)

|   | 2002            | 2003         | 2004          | 2005          | 2006           | 2007           | 2008            |
|---|-----------------|--------------|---------------|---------------|----------------|----------------|-----------------|
| Excess of Revenues Over<br>(Under) Expenditures | \$ (37,316,517) | \$ (693,088) | \$ 1,379,278  | \$ 26,817,171 | \$ (2,882,625) | \$ 5,868,776   | \$ (15,542,126) |
| Other Financing Sources (Uses)                  |                 |              |               |               |                |                |                 |
| Issuance of Bonds                               | 38,195,000      | -            | -             | -             | -              | -              | -               |
| Capital-Related Debt Issued                     | -               | -            | -             | -             | 65,435,000     | 129,985,000    | -               |
| Sale of Real and Personal Property              | 45,839          | 24,146       | 23,464        | 51,099        | 49,803         | 17,645         | 24,496          |
| Non-Current Loans                               | -               | -            | 9,155,000     | -             | -              | -              | -               |
| Transfers In                                    | 27,877,000      | 13,324,682   | 11,731,275    | 8,101,880     | 11,455,350     | 12,898,480     | 13,867,904      |
| Premium or Discount on Issuance of Bonds        | 4,089           | -            | -             | -             | 4,336,541      | 6,391,081      | -               |
| Other Resources                                 | -               | -            | 2,142,120     | 296,149       | 1,129,838      | 169,398        | 3,132,776       |
| Transfers Out                                   | (27,877,000)    | (13,324,682) | (11,731,275)  | (8,101,880)   | (11,455,350)   | (12,898,480)   | (13,867,904)    |
| Other Uses                                      | (150,000)       | -            | (95,242)      | (456,883)     | (70,488,772)   | (1,608,033)    | (1,669,850)     |
| Total Other Financing Sources (Uses)            | 38,094,928      | 24,146       | 11,225,342    | (109,635)     | 462,410        | 134,955,091    | 1,487,422       |
| Special Items                                   | -               | 108,064      | 153,426       | -             | -              | 1,794,147      | -               |
| Net Change in Fund Balances                     | \$ 778,411      | \$ (560,878) | \$ 12,758,046 | \$ 26,707,536 | \$ (2,420,215) | \$ 142,618,014 | \$ (14,054,704) |

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditures and Changes in Fund Balances.

| 2009             | 2010            | 2011            |
|------------------|-----------------|-----------------|
| \$ (120,163,179) | \$ (70,468,683) | \$ (42,876,175) |
| -                | 15,400,000      | 25,770,000      |
| 7,320,000        | -               | -               |
| 23,657           | -               | -               |
| 6,250,000        | -               | -               |
| 13,005,391       | 7,386,260       | 7,563,785       |
| 187,074          | (3,080,000)     | -               |
| 1,411            | -               | -               |
| (13,147,872)     | (7,386,260)     | (7,563,785)     |
| (13,650,287)     | -               | -               |
| (10,626)         | 12,320,000      | 25,770,000      |
| 197,276          | -               | -               |
| \$ (119,976,529) | \$ (58,148,683) | \$ (17,106,175) |

SCHEDULE 8  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION  
PER AVERAGE DAILY ATTENDANCE

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Average Daily Attendance ** | Instruction and Instructional Related Services | Instructional and School Leadership | Support Services Student (Pupil) | Administrative Support Services | Support Services Nonstudent Based |
|-------------|-----------------------------|--|-------------------------------------|----------------------------------|---------------------------------|-----------------------------------|
| 2002        | 39,302                      | 5,168  | 576                                 | 1,563                            | 259                             | 907                               |
| 2003        | 40,779                      | 5,127  | 583                                 | 1,455                            | 257                             | 905                               |
| 2004        | 42,274                      | 4,993  | 551                                 | 1,479                            | 226                             | 866                               |
| 2005 *      | 43,211                      | 4,670  | 454                                 | 1,347                            | 191                             | 768                               |
| 2006        | 44,516                      | 5,376  | 553                                 | 1,553                            | 224                             | 993                               |
| 2007        | 44,491                      | 5,592  | 600                                 | 1,685                            | 243                             | 1,091                             |
| 2008        | 44,758                      | 5,915  | 630                                 | 1,722                            | 253                             | 1,189                             |
| 2009        | 44,665                      | 6,204  | 661                                 | 1,691                            | 267                             | 1,231                             |
| 2010        | 45,097                      | 6,584  | 703                                 | 1,757                            | 260                             | 1,290                             |
| 2011        | 45,869                      | 6,524  | 685                                 | 1,767                            | 263                             | 1,286                             |

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports

Note: \* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. In 2005 instead of ending August 31st, the District ended their fiscal year June 30th, 2006 and on the District's fiscal year starts July 1st and ends June 30th.

\*\* Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.

| Ancillary<br>Services | Debt<br>Service<br>Principal | Debt<br>Service<br>Interest<br>and Other | Capital<br>Outlay | Inter-<br>Governmental<br>Charges | Total  |
|-----------------------|------------------------------|--|-------------------|-----------------------------------|--------|
| 63                    | 176                          | 146                                      | 631               | -                                 | 9,489  |
| 63                    | 132                          | 131                                      | 336               | -                                 | 8,988  |
| 76                    | 122                          | 131                                      | 821               | -                                 | 9,264  |
| 83                    | 11                           | 60                                       | 358               | -                                 | 7,943  |
| 85                    | 65                           | 126                                      | 558               | 1                                 | 9,533  |
| 91                    | 224                          | 207                                      | 577               | 2                                 | 10,311 |
| 94                    | 156                          | 236                                      | 685               | 2                                 | 10,882 |
| 107                   | 164                          | 233                                      | 2,713             | 3                                 | 13,274 |
| 113                   | 157                          | 238                                      | 1,052             | 5                                 | 12,162 |
| 120                   | 238                          | 243                                      | 811               | 5                                 | 11,941 |



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## **REVENUE CAPACITY INFORMATION**



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SCHEDULE 9  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Assessed Value   |                   |                  | Estimated<br>Actual Value | Ratio of<br>Total Assessed<br>To Total Estimated<br>Actual Value | *Total Direct<br>Tax Rate |
|----------------|------------------|-------------------|------------------|---------------------------|--|---------------------------|
|                | Real Property    | Personal Property | Total            |                           |  |                           |
| 2002           | \$ 2,460,152,265 | \$ 433,486,869    | \$ 2,893,639,134 | \$ 3,680,769,208          | 78.62%   | \$ 1.465600               |
| 2003           | 2,664,399,367    | 486,956,308       | 3,151,355,675    | 3,975,780,844             | 79.26%   | 1.465600                  |
| 2004           | 2,885,792,870    | 486,365,229       | 3,372,158,099    | 4,160,431,798             | 81.05%   | 1.485600                  |
| 2005           | 3,191,896,582    | 503,584,758       | 3,695,481,340    | 4,548,022,961             | 81.25%   | 1.485600                  |
| 2006           | 3,392,670,047    | 502,526,828       | 3,895,196,875    | 4,840,839,426             | 80.47%   | 1.485600                  |
| 2007           | 3,925,182,022    | 540,347,922       | 4,465,529,944    | 5,548,457,738             | 80.48%   | 1.405400                  |
| 2008           | 4,166,206,596    | 607,233,408       | 4,773,440,004    | 5,871,154,152             | 81.30%   | 1.092300                  |
| 2009           | 4,279,472,153    | 630,451,249       | 4,909,923,402    | 6,053,536,586             | 81.11%   | 1.092300                  |
| 2010           | 4,338,417,565    | 655,290,494       | 4,993,708,059    | 6,135,315,186             | 81.39%   | 1.092300                  |
| 2011           | 4,377,167,600    | 632,400,079       | 5,009,567,679    | 6,113,416,912             | 81.94%   | 1.092300                  |

Source: Cameron County Appraisal District

\* Per \$100 of assessed value



SCHEDULE 10  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percent of Current Taxes Collected | Delinquent Tax Collections | Total Tax Collections | Ratio of Total Tax Collections to Total Tax Levy | Outstanding Delinquent Taxes | Ratio of Delinquent Taxes to Total Tax Levy |
|-------------|----------------|-------------------------|------------------------------------|----------------------------|-----------------------|--|------------------------------|---|
| 2002        | \$ 41,692,044  | \$ 37,889,504           | 90.88%                             | \$ 2,360,909               | \$ 40,250,413         | 96.54%   | \$ 9,256,546                 | 22.20%                                      |
| 2003        | 45,411,431     | 41,491,775              | 91.37%                             | 2,852,181                  | 44,343,956            | 97.65%   | 9,783,241                    | 21.54%                                      |
| 2004        | 49,326,280     | 45,414,638              | 92.07%                             | 3,082,888                  | 48,497,526            | 98.32%   | 10,435,507                   | 21.16%                                      |
| 2005        | 53,980,789     | 48,224,568              | 89.34%                             | 2,938,924                  | 51,163,492            | 94.78%   | 12,827,873                   | 23.76%                                      |
| 2006        | 56,893,668     | 51,372,178              | 90.30%                             | 4,963,134                  | 56,335,312            | 99.02%   | 12,774,956                   | 22.45%                                      |
| 2007        | 61,639,120     | 55,207,914              | 89.57%                             | 4,890,553                  | 60,098,467            | 97.50%   | 13,390,777                   | 21.72%                                      |
| 2008        | 51,069,707     | 46,597,854              | 91.24%                             | 5,436,046                  | 52,033,900            | 101.89%  | 12,450,446                   | 24.38%                                      |
| 2009        | 52,931,405     | 48,397,764              | 91.43%                             | 4,286,377                  | 52,684,141            | 99.53%   | 11,693,698                   | 22.09%                                      |
| 2010        | 53,382,448     | 48,693,877              | 91.22%                             | 3,961,229                  | 52,655,106            | 98.64%   | 12,322,154                   | 23.08%                                      |
| 2011        | 53,617,610     | 48,836,611              | 91.08%                             | 4,235,004                  | 53,071,615            | 98.98%   | 12,436,578                   | 23.19%                                      |

Source: Brownsville Independent School District Annual Financial and Compliance Reports

SCHEDULE 11  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
ALLOCATION OF PROPERTY TAX RATES AND LEVIES

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Tax Rates<br>(Per \$100 of Assessed Value) |                         |             | Tax Levies      |                         |                           |
|----------------|--|-------------------------|-------------|-----------------|-------------------------|---------------------------|
|                | General<br>Fund                            | Debt<br>Service<br>Fund | Total       | General<br>Fund | Debt<br>Service<br>Fund | Original<br>Levy<br>Total |
| 2002           | \$ 1.407900                                | \$ 0.057700             | \$ 1.465600 | \$ 40,049,378   | \$ 1,642,667            | \$ 41,692,044             |
| 2003           | 1.427900                                   | 0.037700                | 1.465600    | 43,354,293      | 2,057,138               | 45,411,431                |
| 2004           | 1.467900                                   | 0.017700                | 1.485600    | 48,739,298      | 586,982                 | 49,326,280                |
| 2005           | 1.471900                                   | 0.013700                | 1.485600    | 53,484,166      | 496,623                 | 53,980,789                |
| 2006           | 1.438700                                   | 0.046900                | 1.485600    | 55,095,828      | 1,797,840               | 56,893,668                |
| 2007           | 1.315600                                   | 0.089800                | 1.405400    | 57,700,380      | 3,938,740               | 61,639,120                |
| 2008           | 1.019100                                   | 0.073200                | 1.092300    | 47,647,291      | 3,422,416               | 51,069,707                |
| 2009           | 1.019100                                   | 0.073200                | 1.092300    | 49,384,228      | 3,547,177               | 52,931,405                |
| 2010           | 1.012273                                   | 0.080027                | 1.092300    | 49,471,399      | 3,911,049               | 53,382,448                |
| 2011           | 1.019100                                   | 0.073200                | 1.092300    | 50,024,447      | 3,593,163               | 53,617,610                |

Source: Brownsville Independent School District Annual Financial and Compliance Reports

Note: The basis for the property tax rate is \$100 assessed valuation.



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SCHEDULE 12  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$100 ASSESSED VALUATION)

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Tax<br>Year | Direct<br>Tax Rate                               | Overlapping Tax Rates |                        |                                       |                   |                         |                               | Total Direct<br>and<br>Overlapping<br>Tax Rate |
|----------------|-------------|--|-----------------------|------------------------|---------------------------------------|-------------------|-------------------------|-------------------------------|--|
|                |             | Brownsville<br>Independent<br>School<br>District | South<br>Texas<br>ISD | City of<br>Brownsville | Brownsville<br>Navigation<br>District | Cameron<br>County | Drainage<br>District #1 | Texas<br>Southmost<br>College |  |
| 2002           | 2001        | \$ 1.465600                                      | \$ 0.039200           | \$0.680000             | \$ 0.077494                           | \$ 0.340536       | \$ 0.034376             | \$ 0.131400                   | \$ 2.768606                                    |
| 2003           | 2002        | 1.465600   | 0.039200              | 0.680000               | 0.074125                              | 0.340536          | 0.033130                | 0.131400                      | 2.763991                                       |
| 2004           | 2003        | 1.485600   | 0.039200              | 0.680000               | 0.073935                              | 0.358191          | 0.053130                | 0.131400                      | 2.821456                                       |
| 2005           | 2004        | 1.485600   | 0.039200              | 0.680000               | 0.071410                              | 0.358191          | 0.046520                | 0.128782                      | 2.809703                                       |
| 2006           | 2005        | 1.485600   | 0.039200              | 0.680000               | 0.067300                              | 0.358191          | 0.044523                | 0.162772                      | 2.837586                                       |
| 2007           | 2006        | 1.405400   | 0.039200              | 0.650235               | 0.057240                              | 0.348191          | 0.039172                | 0.161089                      | 2.700527                                       |
| 2008           | 2007        | 1.092300   | 0.049200              | 0.650517               | 0.053609                              | 0.343191          | 0.036671                | 0.161089                      | 2.386577                                       |
| 2009           | 2008        | 1.092300   | 0.049200              | 0.650517               | 0.048497                              | 0.353191          | 0.031714                | 0.161089                      | 2.386508                                       |
| 2010           | 2009        | 1.092300   | 0.049200              | 0.654189               | 0.048253                              | 0.363191          | 0.031535                | 0.161924                      | 2.400592                                       |
| 2011           | 2010        | 1.092300   | 0.049200              | 0.657556               | 0.047828                              | 0.364291          | 0.031400                | 0.162423                      | 2.404998                                       |

Source: Tony Yzaguirre, Jr., Tax Assessor-Collector and City of Brownsville, Texas

SCHEDULE 13  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

| Taxpayer                              | Type of Business          | Fiscal Year 2011                          |  |
|---------------------------------------|---------------------------|---|--|
|                                       |                           | Tax Year<br>2010<br>Assessed<br>Valuation | Percentage of<br>Total Assessed<br>Valuation |
| CBL/Sunrise Commons LP                | Real Estate/Shopping Mall | \$ 38,869,962                             | 0.78%  |
| TRICO Products Corp.                  | Manufacturer              | 15,628,366                                | 0.31%  |
| Columbia Valley Healthcare Systems LP | Hospital                  | 29,348,585                                | 0.59%  |
| Southwestern Bell Telephone           | Telephone Utility         | 18,030,330                                | 0.36%  |
| Rich-Seapak Co                        | Retail Store              | 15,985,293                                | 0.32%  |
| KIMCO Brownsville LP                  | Land/ Improvements        | 19,274,998                                | 0.38%  |
| Wal-Mart Stores Texas LP              | Retail Store              | 22,646,633                                | 0.45%  |
| Wal-Mart Stores Inc.                  | Retail Store              | 17,397,357                                | 0.35%  |
| H E Butt Grocery Co                   | Grocery                   | -   | -  |
| Columbia Valley Healthcare Systems LP | Hospital                  | -   | -  |
| Brownsville Medical Center            | Hospital                  | -   | -  |
| Security Capital Industrial Trust     | Real Estate Investments   | -   | -  |
| Simon Property Group                  | Real Estate/Shopping Mall | -   | -  |
| Norton                                | Manufacturer              | -   | -  |
| Morrison Crossing LTD                 | Home Improvements         | -   | 0.30%  |
| Valley Baptist Medical Center-BRO     | Medical                   | 15,119,265                                | 0.28%  |
| AEP Texas Central Co                  | Utilities                 | 13,969,001                                | -  |
| Totals                                |                           | \$ 206,269,790                            | 4.12%  |

Source: Cameron County Appraisal District

| Fiscal Year 2002 |                |
|------------------|----------------|
| Tax Year         |                |
| 2001             | Percentage of  |
| Assessed         | Total Assessed |
| Valuation        | Valuation      |
| \$ -             | -              |
| 15,081,350       | 0.52%          |
| 35,560,609       | 1.23%          |
| 28,338,320       | 0.98%          |
| 29,467,616       | 1.02%          |
| -                | -              |
| -                | -              |
| -                | -              |
| 17,020,200       | 0.59%          |
| 12,222,353       | 0.42%          |
| 15,736,638       | 0.54%          |
| 9,963,538        | 0.34%          |
| 19,507,975       | 0.67%          |
| 9,796,791        | 0.34%          |
| -                | -              |
| -                | -              |
| -                | -              |
| \$ 192,695,390   | 6.65%          |



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## **DEBT CAPACITY INFORMATION**



SCHEDULE 14  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | General<br>Obligation<br>Bonds | Refunding<br>Bonds | Notes<br>Payable | Capital<br>Appreciation<br>Bonds | Total<br>Debt  |
|----------------|--------------------------------|--------------------|------------------|----------------------------------|----------------|
| 2002           | \$ 102,561,040                 | \$ -               | \$ -             | \$ -                             | \$ 102,561,040 |
| 2003           | 97,250,000                     | -                  | -                | -                                | 97,250,000     |
| 2004           | 92,415,000                     | -                  | 8,815,000        | -                                | 101,230,000    |
| 2005           | 92,415,000                     | -                  | 8,355,000        | -                                | 100,770,000    |
| 2006           | 24,300,000                     | 65,435,000         | 7,860,000        | -                                | 97,595,000     |
| 2007           | 145,095,000                    | 65,195,000         | 7,340,000        | -                                | 217,630,000    |
| 2008           | 138,640,000                    | 65,195,000         | 6,805,000        | -                                | 210,640,000    |
| 2009           | 124,545,000                    | 72,515,000         | 6,250,000        | -                                | 203,310,000    |
| 2010           | 118,395,000                    | 71,570,000         | 5,655,000        | 15,400,000                       | 211,020,000    |
| 2011           | 111,985,000                    | 70,600,000         | 5,040,000        | 38,235,000                       | 225,860,000    |

Source: Brownsville Independent School District Annual Financial and Compliance Reports

| <u>Ratio of Total<br/>Debt to Estimated<br/>Actual Property Value</u> | <u>Total Debt<br/>Per Average<br/>Daily Membership</u> |
|---|--|
| 2.79%   | 2399   |
| 2.45%   | 2187   |
| 2.43%   | 2201   |
| 2.22%   | 2148   |
| 2.02%   | 2022   |
| 3.92%   | 4497   |
| 3.59%   | 4311   |
| 3.36%   | 4181   |
| 3.44%   | 4292   |
| 3.69%   | 4518   |



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SCHEDULE 15  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS

As of June 30, 2011

(Unaudited)

| Political Subdivision                  | Net Debt<br>Amounts |   | As of    | Estimated<br>Percentage<br>Applicable | Estimated Share of<br>Overlapping Debt |
|--|---------------------|---|----------|---------------------------------------|--|
| Brownsville Navigation District        | \$ 16,955,000       | A | 11/30/11 | 79.96%                                | \$ 13,557,218                          |
| City Of Brownsville                    | 158,595,000         | A | 11/30/11 | 90.22%                                | 143,084,409                            |
| Cameron County                         | 83,020,000          | A | 11/30/11 | 32.60%                                | 27,064,520                             |
| Paseo De La Resaca MUD #1              | 1,635,000           | A | 11/30/11 | 100.00%                               | 1,635,000                              |
| Paseo De La Resaca MUD #2              | 2,495,000           | A | 11/30/11 | 100.00%                               | 2,495,000                              |
| Paseo De La Resaca MUD #3              | 3,120,000           | A | 11/30/11 | 100.00%                               | 3,120,000                              |
| Paseo De La Resaca MUD #3 Contract Tax | 5,055,000           | A | 11/30/11 | 100.00%                               | 5,055,000                              |
| Town of Rancho Viejo                   | 955,000             | A | 11/30/11 | 60.78%                                | 580,449                                |
| Texas Southmost College District       | 73,275,000          | A | 11/30/11 | 43.69%                                | 32,013,848                             |
| Valley MUD #2                          | 5,935,000           | A | 11/30/11 | 68.07%                                | 4,039,955                              |
|  |                     |   |          |                                       | <u>\$ 232,645,398</u>                  |
| Brownsville ISD Direct Debt            |                     | B | 06/30/10 | 100.00%                               | <u>\$ 220,820,000</u>                  |
| Total Direct and Overlapping Debt      |                     |   |          |                                       | <u><u>\$ 453,465,398</u></u>           |

Source:

A - Municipal Advisory Council of Texas

B - Brownsville Independent School District Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the District. This process recognizes that, when considering the District's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping governmental.

SCHEDULE 16  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN YEARS

(Unaudited)

|   | 2002             | 2003             | 2004             | 2005             | 2006             |
|---|------------------|------------------|------------------|------------------|------------------|
| Assessed Valuation                            | \$ 2,893,639,134 | \$ 3,151,355,675 | \$ 3,372,158,099 | \$ 3,695,481,340 | \$ 3,895,196,875 |
| Debt Limit - 10% of Assessed Valuation        | \$ 289,363,913   | \$ 315,135,568   | \$ 337,215,810   | \$ 369,548,134   | \$ 389,519,688   |
| General Obligation Bonds                      | 102,561,040      | 97,250,000       | 92,415,001       | 92,415,000       | 89,735,000       |
| Deduct Amount Available in Debt Service Fund  | 5,553,219        | 4,848,988        | 3,610,532        | 7,582,861        | 9,579,439        |
| Applicable Debt                               | 97,007,821       | 92,401,012       | 88,804,468       | 84,832,139       | 80,155,561       |
| Legal Debt Margin                             | \$ 192,356,093   | \$ 222,734,555   | \$ 248,411,342   | \$ 284,715,995   | \$ 309,364,127   |
| Debt Margin as a Percentage of the Debt Limit | 66.48%           | 70.68%           | 73.67%           | 77.04%           | 79.42%           |

Source: Brownsville Independent School District Annual Financial and Compliance Reports

| 2007             | 2008             | 2009             | 2010             | 2011             |
|------------------|------------------|------------------|------------------|------------------|
| \$ 4,465,529,944 | \$ 4,773,440,004 | \$ 4,909,923,402 | \$ 4,993,708,059 | \$ 5,009,567,679 |
| \$ 446,552,994   | \$ 477,344,000   | \$ 490,992,340   | \$ 499,370,806   | \$ 500,956,768   |
| 210,290,000      | 203,835,000      | 197,060,000      | 205,365,000      | 220,820,000      |
| 8,488,045        | 7,527,191        | 7,415,666        | 6,340,788        | 5,027,732        |
| 201,801,955      | 196,307,809      | 189,644,334      | 199,024,212      | 215,792,268      |
| \$ 244,751,039   | \$ 281,036,192   | \$ 301,348,006   | \$ 300,346,594   | \$ 285,164,500   |
| 54.81%           | 58.87%           | 61.38%           | 60.15%           | 56.92%           |

SCHEDULE 17  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ESTIMATED ACTUAL VALUE AND  
PER AVERAGE DAILY MEMBERSHIP

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Average Daily Membership | Estimated Actual Value | Total Bonded Debt | Debt Service Fund Balance | Net Bonded Debt | Ratio of Net Bonded Debt to Estimated Actual Value | Net Bonded Debt Per Average Daily Membership |
|-------------|--------------------------|------------------------|-------------------|---------------------------|-----------------|--|--|
| 2002        | 42,747                   | \$ 3,680,769,208       | \$ 102,561,040    | \$ 5,553,219              | \$97,007,821    | 2.64%  | \$ 2,269.35                                  |
| 2003        | 44,452                   | 3,975,780,844          | 97,250,000        | 4,848,988                 | 92,401,012      | 2.32%  | 2,078.67                                     |
| 2004        | 45,986                   | 4,160,431,798          | 101,230,000       | 7,582,861                 | 97,619,468      | 2.35%  | 2,122.81                                     |
| 2005        | 46,908                   | 4,548,022,961          | 100,770,000       | 7,582,861                 | 93,187,139      | 2.05%  | 1,986.59                                     |
| 2006        | 48,261                   | 4,840,839,426          | 97,595,000        | 9,579,439                 | 88,015,561      | 1.82%  | 1,823.74                                     |
| 2007        | 48,391                   | 5,548,457,738          | 217,630,000       | 8,488,045                 | 209,141,955     | 3.77%  | 4,321.92                                     |
| 2008        | 48,858                   | 5,871,154,152          | 210,640,000       | 7,527,191                 | 203,112,809     | 3.46%  | 4,157.21                                     |
| 2009        | 48,617                   | 6,053,536,586          | 203,310,000       | 7,415,666                 | 195,894,334     | 3.24%  | 4,029.34                                     |
| 2010        | 49,155                   | 6,135,315,186          | 211,020,000       | 6,340,788                 | 204,679,212     | 3.34%  | 4,163.96                                     |
| 2011        | 49,991                   | 6,113,416,912          | 225,860,000       | 5,027,732                 | 220,832,268     | 3.61%  | 4,417.44                                     |

Note: Average Daily Membership represents the average daily enrollment of students, district-wide, over the official number of instructional days.

Note: Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population

SCHEDULE 18  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Principal    | Interest*    | Total<br>Debt<br>Service | Total<br>General<br>Fund<br>Expenditures | Ratio of<br>Debt Service<br>To General Fund<br>Expenditures |
|----------------|--------------|--------------|--------------------------|--|---|
| 2002           | \$ 6,920,000 | \$ 5,333,838 | \$ 12,253,838            | \$ 298,482,914                           | 4.11%   |
| 2003           | 5,375,000    | 5,321,709    | 10,696,709               | 297,110,763                              | 3.60%   |
| 2004           | 5,175,000    | 5,439,580    | 10,614,580               | 306,391,596                              | 3.46%   |
| 2005           | 460,000      | 2,602,523    | 3,062,523                | 276,597,138                              | 1.11%   |
| 2006           | 2,880,000    | 4,999,747    | 7,879,747                | 356,050,995                              | 2.21%   |
| 2007           | 9,950,000    | 7,866,188    | 17,816,188               | 374,918,220                              | 4.75%   |
| 2008           | 6,990,000    | 10,551,209   | 17,541,209               | 395,409,215                              | 4.44%   |
| 2009           | 7,310,000    | 10,206,443   | 17,516,443               | 411,258,259                              | 4.26%   |
| 2010           | 7,690,000    | 9,832,436    | 17,522,436               | 418,646,603                              | 4.19%   |
| 2011           | 10,930,000   | 10,357,263   | 21,287,263               | 436,446,846                              | 4.88%   |

Source: Brownsville Independent School District Annual Financial and Compliance Reports

Note: \* Excludes Other Fees





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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**



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SCHEDULE 19  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

| Employer                           | 2011 *        |      |   | 2002-2010     |      |   |
|------------------------------------|---------------|------|---|---------------|------|---|
|                                    | Employees     | Rank | Percentage of<br>Total City<br>Employment | Employees     | Rank | Percentage of<br>Total City<br>Employment |
| Brownsville ISD                    | 7,434         | 1    | 5.21%                                     | 7,001         | 1    | 4.71%                                     |
| University of Texas at Brownsville | 2,386         | 2    | 1.67%                                     | 1,831         | 2    | 1.23%                                     |
| Cameron County                     | 2,076         | 3    | 1.46%                                     | 1,743         | 3    | 1.17%                                     |
| Keppel Amfels                      | 1,695         | 4    | 1.19%                                     | 1,675         | 4    | 1.13%                                     |
| City of Brownsville                | 1,178         | 5    | 0.83%                                     | 1,094         | 5    | 0.74%                                     |
| Wal-mart                           | 1,174         | 6    | 0.82%                                     | 1,062         | 6    | 0.71%                                     |
| Covergys Corp.                     | 1,000         | 7    | 0.70%                                     | 875           | 7    | 0.59%                                     |
| HEB Food Stores                    | 975           | 8    | 0.68%                                     | 782           | 8    | 0.53%                                     |
| Valley Regional Medical Center     | 757           | 9    | 0.53%                                     | 753           | 10   | 0.51%                                     |
| Valley Baptist Medical Center      | 717           | 10   | 0.50%                                     | 757           | 9    | 0.51%                                     |
| T-Mobile                           | -             | -    | -   | -             | -    | -   |
| Brownsville Public Utilities Board | -             | -    | -   | -             | -    | -   |
| Trico Technologies                 | -             | -    | -   | -             | -    | -   |
| National Electric Coil             | -             | -    | -   | -             | -    | -   |
| Dillards                           | -             | -    | -   | -             | -    | -   |
| Rich Sea Pack                      | -             | -    | -   | -             | -    | -   |
| International Shipbreaking         | -             | -    | -   | -             | -    | -   |
| Well Fargo (Mercantile Bank)       | -             | -    | -   | -             | -    | -   |
| IDEA Public School                 | -             | -    | -   | -             | -    | -   |
| JC Penney                          | -             | -    | -   | -             | -    | -   |
| Allison Manufacturing              | -             | -    | -   | -             | -    | -   |
| Brownsville Medical Center         | -             | -    | -   | -             | -    | -   |
| Fort Brown Manufacturing           | -             | -    | -   | -             | -    | -   |
| Horace Small Apparel               | -             | -    | -   | -             | -    | -   |
| Johnson Intermediate Materials     | -             | -    | -   | -             | -    | -   |
| Levi Strauss                       | -             | -    | -   | -             | -    | -   |
| Norton Company                     | -             | -    | -   | -             | -    | -   |
| Texas Visting Nurses               | -             | -    | -   | -             | -    | -   |
| Titan Tire Co.                     | -             | -    | -   | -             | -    | -   |
| VF Workwear                        | -             | -    | -   | -             | -    | -   |
| Total                              | <u>19,392</u> |      | <u>13.60%</u>                             | <u>17,573</u> |      | <u>11.83%</u>                             |

Source:

(1) \* 2010 Brownsville Economic Development Council estimated information as of 10/18/10. The data for 2010 will not be ready until the 1st Qtr of 2011.

(2) Est. Population as per Brownsville Economic Development Council (City of Brownsville) is 176,073 & Unemployment Rate is 10.9%. Population x Unemployment Rate = Unemployed. Population less unemployed - employed workforce. # of employed / employed workforce is %. Workforce estimated at 142,619.

SCHEDULE 20  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION AND PROPERTY VALUES

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Number of Permits | Construction Value | Total Property Value |
|-------------|-------------------|--------------------|----------------------|
| 2002        | 3,595             | \$ 113,852,213     | \$ 3,973,934,573     |
| 2003        | 3,328             | 131,589,633        | 4,174,837,933        |
| 2004        | 3,665             | 118,052,886        | 4,544,846,906        |
| 2005        | 2,274             | 107,278,249        | 4,836,991,161        |
| 2006        | 3,422             | 134,980,422        | 5,541,181,044        |
| 2007        | 2,555             | 181,840,584        | 5,877,752,406        |
| 2008        | 2,240             | 166,418,482        | 6,116,283,173        |
| 2009        | 2,993             | 103,987,896        | 6,174,353,951        |
| 2010        | 2,458             | 74,048,534         | 6,113,416,912        |
| 2011        | 1,949             | 75,141,255         | 6,214,354,595        |

Source: Cameron Appraisal District Certified Entity Totals Report

## **OPERATING INFORMATION**

SCHEDULE 21  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

LAST TEN YEARS

(Unaudited)

| Classification             | 2002    | 2003    | 2004    | 2005    | 2006    |
|----------------------------|---------|---------|---------|---------|---------|
| <b>Number of Employees</b> |         |         |         |         |         |
| Teachers                   | 2,912   | 3,023   | 3,014   | 2,952   | 3,093   |
| Professional Support       | 545     | 524     | 526     | 512     | 518     |
| Campus Administration      | 144     | 191     | 181     | 187     | 189     |
| Central Administration     | 45      | 42      | 35      | 34      | 28      |
| Educational Aides          | 816     | 797     | 792     | 797     | 814     |
| Auxiliary Staff            | 2,093   | 2,252   | 2,202   | 2,124   | 2,166   |
| Total Employees            | 6,555   | 6,828   | 6,750   | 6,605   | 6,808   |
| <b>Percent of Total</b>    |         |         |         |         |         |
| Teachers                   | 44.43%  | 44.27%  | 44.66%  | 44.69%  | 45.44%  |
| Professional Support       | 8.32%   | 7.67%   | 7.79%   | 7.75%   | 7.61%   |
| Campus Administration      | 2.20%   | 2.80%   | 2.69%   | 2.83%   | 2.77%   |
| Central Administration     | 0.68%   | 0.61%   | 0.51%   | 0.51%   | 0.41%   |
| Educational Aides          | 12.45%  | 11.67%  | 11.73%  | 12.06%  | 11.95%  |
| Auxiliary Staff            | 31.93%  | 32.98%  | 32.63%  | 32.16%  | 31.82%  |
|                            | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Source: The District's Human Resources Department and the Academic Excellence Indicator System (AEIS).  
Data taken from P.E.I.M.S. report(s).

| 2007    | 2008    | 2009    | 2010    | 2011    |
|---------|---------|---------|---------|---------|
| 3,166   | 3,273   | 3,322   | 3,365   | 3,365   |
| 537     | 582     | 606     | 638     | 638     |
| 194     | 195     | 200     | 197     | 197     |
| 31      | 18      | 12      | 8       | 8       |
| 873     | 841     | 809     | 910     | 910     |
| 2,229   | 2,415   | 2,487   | 2,425   | 2,425   |
| 7,030   | 7,323   | 7,436   | 7,543   | 7,543   |
| 45.04%  | 44.69%  | 44.68%  | 44.61%  | 44.61%  |
| 7.64%   | 7.94%   | 8.15%   | 8.46%   | 8.46%   |
| 2.76%   | 2.66%   | 2.69%   | 2.61%   | 2.61%   |
| 0.44%   | 0.25%   | 0.16%   | 0.11%   | 0.11%   |
| 12.42%  | 11.48%  | 10.87%  | 12.06%  | 12.06%  |
| 31.70%  | 32.98%  | 33.45%  | 32.15%  | 32.15%  |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |



SCHEDULE 22  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF TEACHER INFORMATION

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Bachelor's Degree |           | Master's Degree |           | Doctorate |           | Average Teacher Salary |
|-------------|-------------------|-----------|-----------------|-----------|-----------|-----------|------------------------|
|             | Minimum           | Maximum   | Minimum         | Maximum   | Minimum   | Maximum   |                        |
| 2002        | \$ 30,500         | \$ 45,606 | \$ 33,500       | \$ 48,606 | \$ 34,250 | \$ 49,356 | \$ 38,990              |
| 2003        | 30,614            | 45,720    | 33,614          | 48,720    | 34,364    | 49,470    | 38,853                 |
| 2004        | 31,000            | 45,734    | 34,000          | 48,734    | 34,750    | 49,484    | 39,129                 |
| 2005 *      | 31,000            | 50,778    | 34,000          | 53,278    | 34,750    | 54,028    | 40,656                 |
| 2006        | 33,000            | 51,592    | 36,000          | 54,592    | 36,750    | 55,342    | 41,725                 |
| 2007        | 36,500            | 55,406    | 39,500          | 58,406    | 40,250    | 59,156    | 45,501                 |
| 2008        | 38,000            | 56,720    | 41,000          | 59,720    | 41,750    | 60,470    | 46,909                 |
| 2009        | 39,000            | 58,034    | 42,000          | 61,034    | 42,750    | 61,784    | 48,369                 |
| 2010        | 40,350            | 59,038    | 43,350          | 62,138    | 44,100    | 62,888    | 48,412                 |
| 2011        | 40,350            | 59,138    | 43,350          | 62,138    | 44,100    | 62,888    | 48,412                 |

Source: Academic Excellence Indicator System (AEIS)

Note: \* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. In 2005 instead of ending August 31st, the district ended their fiscal year June 30, 2006 and on the District's fiscal year starts July 1st and ends June 30th.

Note: Minimum and maximum salaries are based on the BISD Hiring Schedule from each applicable year. They are based on zero years of experience to 27+ years.

| Average<br>Years of<br>Experience | Bachelor's<br>Education | Master's<br>Education |
|-----------------------------------|-------------------------|-----------------------|
| 11.9                              | 83.0%                   | 16.0%                 |
| 12.3                              | 83.5%                   | 15.4%                 |
| 12.0                              | 84.2%                   | 15.0%                 |
| 12.1                              | 83.8%                   | 15.2%                 |
| 11.7                              | 84.5%                   | 14.6%                 |
| 11.6                              | 85.3%                   | 14.0%                 |
| 11.8                              | 84.6%                   | 13.8%                 |
| 12.0                              | 81.8%                   | 15.2%                 |
| 11.9                              | 82.6%                   | 12.1%                 |
| 11.9                              | 82.6%                   | 12.1%                 |

SCHEDULE 23  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF ATTENDANCE AND MEMBERSHIP

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Average<br>Daily<br>Attendance * | Average<br>Daily<br>Membership | Percent of<br>Attendance |
|----------------|----------------------------------|--------------------------------|--------------------------|
| 2002           | 39,302                           | 42,747                         | 91.94%                   |
| 2003           | 40,779                           | 44,452                         | 91.74%                   |
| 2004           | 42,274                           | 45,986                         | 91.93%                   |
| 2005           | 43,211                           | 46,908                         | 92.12%                   |
| 2006           | 44,516                           | 48,261                         | 92.24%                   |
| 2007           | 44,491                           | 48,391                         | 91.94%                   |
| 2008           | 44,758                           | 48,858                         | 91.61%                   |
| 2009           | 44,666                           | 48,617                         | 91.87%                   |
| 2010           | 45,097                           | 49,155                         | 91.74%                   |
| 2011           | 45,869                           | 49,991                         | 91.75%                   |

Source: The District's PEIMS & Student Accounting Office

\* Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.

SCHEDULE 24  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
OPERATING STATISTICS

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Average Daily Attendance | Operating Expenditures | Cost per Pupil | Percent Change | Operating Expenses | Cost per Pupil | Percent Change |
|-------------|--------------------------|------------------------|----------------|----------------|--------------------|----------------|----------------|
| 2002        | 39,302                   | \$ 293,797,639         | \$ 7,475       | 11.56%         | \$ 336,620,072     | \$ 8,565       | 0.00%          |
| 2003        | 40,779                   | 291,736,342            | 7,154          | -4.30%         | 347,955,325        | 8,533          | -0.37%         |
| 2004        | 42,274                   | 293,023,477            | 6,932          | -3.11%         | 351,768,239        | 8,321          | -2.48%         |
| 2005 **     | 43,211                   | 268,252,867            | 6,208          | -10.44%        | 330,971,654        | 7,659          | -7.95%         |
| 2006        | 44,516                   | 332,629,044            | 7,472          | 20.37%         | 399,776,582        | 8,981          | 17.25%         |
| 2007        | 44,491                   | 353,645,889            | 7,949          | 6.38%          | 423,490,362        | 9,519          | 5.99%          |
| 2008        | 44,758                   | 376,792,487            | 8,418          | 5.91%          | 448,323,317        | 10,017         | 5.23%          |
| 2009        | 44,665                   | 385,289,218            | 8,626          | 2.47%          | 468,895,742        | 10,498         | 4.81%          |
| 2010        | 45,097                   | 398,542,579            | 8,837          | 2.45%          | -                  | -              | -100.00%       |
| 2011        | 45,869                   | 488,240,098            | 10,644         | 20.44%         | 504,026,454        | 10,988         | 0.49%          |

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports.

Note: \* GASB 34 was not in effect. No data available.

\*\* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. In 2005 instead of ending August 31st, the District ended their fiscal year June 30, 2006 and on the District's fiscal year starts July 1st and ends June 30th.

SCHEDULE 25  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF STUDENT INFORMATION

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Teacher / Student Ratio | Percentage of Free and Reduced Lunch | No. of Economically Disadvantaged Students | Percentage of Economically Disadvantaged Students |
|-------------|-------------------------|--------------------------------------|--|---|
| 2002        | 14.6                    | 90%                                  | 39,499                                     | 92.8%   |
| 2003        | 14.7                    | 90%                                  | 41,202                                     | 93.0%   |
| 2004        | 15.2                    | 90%                                  | 42,680                                     | 93.1%   |
| 2005 *      | 15.9                    | 90%                                  | 43,697                                     | 93.4%   |
| 2006        | 15.6                    | 90%                                  | 45,651                                     | 94.7%   |
| 2007        | 15.2                    | 90%                                  | 45,656                                     | 94.6%   |
| 2008        | 14.9                    | 90%                                  | 46,116                                     | 94.4%   |
| 2009        | 14.6                    | 90%                                  | 46,077                                     | 94.9%   |
| 2010        | 14.6                    | 90%                                  | 46,922                                     | 95.5%   |
| 2011        | 14.6                    | 90%                                  | 47,482                                     | 95.2%   |

Source: Academic Excellence Indicator System (AEIS) & PEIMS.  
2010 Data taken from P.E.I.M.S. report(s).

%age of Free and Reduce Lunch is based on our Food Services Dept. This is an estimate. Actual %'s still pending

Note: \* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. In 2005 instead of ending August 31st, the District ended their fiscal year June 30, 2006 and on the District's fiscal year starts July 1st and ends June 30th.

SCHEDULE 26  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF SCHOOL BUILDINGS

(Unaudited)

| Estimated Square             |           |        | Recommended               |           |        |
|------------------------------|-----------|--------|---------------------------|-----------|--------|
| Footage                      |           |        | Capacity                  |           |        |
|                              |           |        |                           |           |        |
| <b>HIGH SCHOOLS</b>          |           |        | <b>ELEMENTARY SCHOOLS</b> |           |        |
| HANNA                        | 359,851   | 3,015  | AIKEN                     | 92,371    | 860    |
| LOPEZ                        | 317,266   | 1,881  | BENAVIDES                 | 80,417    | 660    |
| PACE                         | 283,286   | 1,965  | BRITE                     | 88,586    | 740    |
| PORTER                       | 327,497   | 2,537  | BREEDEN                   | 74,279    | 814    |
| RIVERA                       | 315,648   | 1,896  | BURNS                     | 97,236    | 1,000  |
| VETERANS MEMORIAL            | 314,358   | 1,926  | CANALES                   | 107,910   | 1,240  |
| TOTAL                        | 1,917,906 | 13,220 | CASTAÑEDA                 | 71,908    | 500    |
|                              |           |        | CHAMPION                  | 82,658    | 780    |
|                              |           |        | CROMACK                   | 78,088    | 840    |
|                              |           |        | DEL CASTILLO              | 47,421    | 520    |
|                              |           |        | EGLY                      | 80,022    | 1,060  |
|                              |           |        | EL JARDIN                 | 79,595    | 760    |
|                              |           |        | GALLEGOS                  | 82,657    | 720    |
|                              |           |        | GARDEN PARK               | 73,775    | 820    |
|                              |           |        | GARZA                     | 65,659    | 760    |
|                              |           |        | GONZALEZ                  | 80,216    | 900    |
|                              |           |        | HUDSON                    | 85,145    | 880    |
|                              |           |        | KELLER                    | 88,598    | 680    |
|                              |           |        | LONGORIA                  | 44,917    | 320    |
|                              |           |        | MARTIN                    | 69,363    | 740    |
|                              |           |        | MORNINGSIDE               | 74,095    | 820    |
|                              |           |        | ORTIZ                     | 82,752    | 620    |
|                              |           |        | PALM GROVE                | 61,565    | 580    |
|                              |           |        | PAREDES                   | 82,644    | 760    |
|                              |           |        | PENA                      | 92,500    | 740    |
|                              |           |        | PEREZ                     | 65,896    | 700    |
|                              |           |        | PULLAM                    | 91,722    | 640    |
|                              |           |        | PUTEGNAT                  | 61,563    | 560    |
|                              |           |        | RESACA                    | 30,722    | 260    |
|                              |           |        | RUSSELL                   | 90,074    | 960    |
|                              |           |        | SHARP                     | 53,804    | 520    |
|                              |           |        | SKINNER                   | 71,622    | 540    |
|                              |           |        | SOUTHMOST                 | 66,140    | 640    |
|                              |           |        | VERMILLION                | 84,477    | 1,000  |
|                              |           |        | VICTORIA                  | 45,303    | 440    |
|                              |           |        | VILLA NUEVA               | 63,291    | 560    |
|                              |           |        | YTURRIA                   | 65,307    | 560    |
|                              |           |        | TOTAL                     | 2,754,298 | 26,494 |
| <b>MIDDLE SCHOOLS</b>        |           |        |                           |           |        |
| BESTEIRO                     | 153,232   | 989    |                           |           |        |
| CUMMINGS                     | 94,467    | 736    |                           |           |        |
| FAULK                        | 98,457    | 920    |                           |           |        |
| GARCIA                       | 120,927   | 828    |                           |           |        |
| LUCIO                        | 127,552   | 851    |                           |           |        |
| MANZANO                      | 137,237   | 805    |                           |           |        |
| OLIVEIRA                     | 124,443   | 1,035  |                           |           |        |
| PERKINS                      | 140,105   | 1,288  |                           |           |        |
| STELL                        | 114,316   | 828    |                           |           |        |
| STILLMAN                     | 131,860   | 851    |                           |           |        |
| VEIA                         | 132,346   | 966    |                           |           |        |
| TOTAL                        | 1,374,942 | 10,097 |                           |           |        |
| <b>SPECIAL CAMPUSES</b>      |           |        |                           |           |        |
| Brownsville Academic Center  | N/A       | N/A    |                           |           |        |
| Brownsville Learning Academy | 17,160    | N/A    |                           |           |        |
| Lincoln Park                 | 43,375    | N/A    |                           |           |        |
| Early College High School    | 35,855    | 262    |                           |           |        |
| TOTAL                        | 96,390    | 262    |                           |           |        |

Source: BISD Facilities School Building Information 10/07/2010



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## **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

### **MISCELLANEOUS STATISTICS**

The Brownsville Independent School District has, as part of its efforts to serve all of its students, expanded its educational off campus to serve specific student needs. Some off campus educational programs are staffed with District teachers and teacher assistants.

As of June 30, 2011, it included such programs as follows:

#### **Adult Continuing Education**

BISD Adult Education is a department of Brownsville Independent School District and the fiscal agent for Cameron County Co-op, which includes Los Fresnos, Port Isabel, Rio Hondo, San Benito, Santa Rosa and Santa Maria. BISD Adult Education provides services to a multicultural population who are educationally and economically and educationally disadvantaged adults, 17 years and older.

#### **Brownsville Academic Center (BAC)**

The BISD Brownsville Academic Center is an alternative education program which has as its goal to provide a meaningful educational experience for assigned students in grades sixth to twelfth in a well disciplined environment that provides consistency, structure, intense academics, and supportive related services so that each student will grow intellectually, socially, emotionally, and psychologically. Upon exiting the program, BISD BAC students will be effective communicators, competent problem solvers, self-directed learners, and responsible citizens.

#### **Brownsville Learning Academy (BLA)**

The BISD Brownsville Learning Academy is an alternative educational program that offers academic options for students who want to complete the necessary requirements for obtaining a high school diploma. The BLA is a competency-based learning system with flexible scheduling for young adults who are not successfully completing a traditional high school program. The student's commitment and desire to earn a high school diploma, combined with a caring, positive learning climate, determines the student's degree of success.

#### **Juvenile Justice Alternative Education Programs (JJAEP)**

Cameron County Juvenile Probation is required by state law to provide a Juvenile Justice Alternative Education Program (J.J.A.E.P.) to those students who have been expelled by one of the schools in Cameron County and who have been adjudicated, or are pending adjudication, as a delinquent by a juvenile court. In addition, the school districts may, in its discretion, order or, by agreement, refer students who continue to have serious and persistent misbehavior.

#### **Lincoln Park School**

Lincoln Park School is a "school of choice" alternative high school. The school serves sixth to twelfth grade students from all middle and high schools in BISD. A variety of programs are offered that meet the individual needs of students in the Teen Parenting Accelerated Program (TPAP). Lincoln Park School has a day care center for birth – 17 month old babies for the enrolled teen parents. The primary goal is to provide an opportunity for teen-aged parents to obtain a high school diploma and develop work skills in their area of interest. The school operates differently from traditional high schools, because of the individualized, self-paced, performance based, accelerated curriculum.

#### **La Esperanza Home for Boys**

Southwest Key Program, Inc. is a private, non-profit agency that operates La Esperanza Home for Boys in Brownsville. This residential facility for troubled youth is licensed by the Texas Department of Family and Protective Services to serve up to sixty-six youths between the ages of eleven and seventeen.





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## **FEDERAL AWARDS SECTION**



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brownsville Independent School District (the “District”) as of and for the year ended June 30, 2011, which collectively comprise the District’s basic financial statements and have issued our report thereon dated October 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Brownsville Independent School District’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated October 24, 2011.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees, management, the Texas Education Agency, federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

*Pattillo, Brown & Hill, C.P.A.*

October 24, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

**Compliance**

We have audited Brownsville Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

**Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-01 and 2010-02. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Trustees, the Texas Education Agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill LLP

October 24, 2011

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

|  |  |             |                         |
|--|--|-------------|-------------------------|
| <b>Financial Statements</b>  |  |             |                         |
| Type of auditors’ report issued:   |  | Unqualified |                         |
| Internal control over financial reporting:   |  |             |                         |
| • Material weakness(es) identified?  |  | ___ Yes     | ___ X ___ No            |
| • Significant deficiency(ies) identified not considered to be material weaknesses? |  | ___ Yes     | ___ X ___ None Reported |
| Noncompliance material to financial statements noted?                              |  | ___ Yes     | ___ X ___ No            |

|  |  |               |                   |
|--|--|---------------|-------------------|
| <b>Federal Awards</b>  |  |               |                   |
| Internal control over major programs:  |  |               |                   |
| • Material weakness(es) identified?  |  | ___ Yes       | ___ X ___ No      |
| • Significant deficiency(ies) identified not considered to be material weaknesses?                             |  | ___ X ___ Yes | ___ None Reported |
| Type of auditors’ report issued on compliance for major programs   |  | Unqualified   |                   |
| Any audit findings disclosed that are required to be reported accordance with Circular A-133, Section. 510(a)? |  | ___ X ___ Yes | ___ No            |

|   |  |   |              |
|---|--|---|--------------|
| <b>Identification of Major Programs</b> |  |   |              |
|   | <b>CFDA Number(s)</b>  | <b>Name of Federal Program or Cluster</b>   |              |
|   | 84.010A<br>84.389A   | ESEA Title I, Part A Cluster  |              |
|   | 84.027A<br>84.173A<br>84.391A  | Special Education Cluster   |              |
|   | 84.394A  | Title XIV SFSF (ARRA)   |              |
|   | 84.318X<br>84.386A   | Title II Part D – Enhancing Education Through Technology<br>Title II Part D – Technology (ARRA) |              |
|   | 84.377A<br>84.388A   | Title I SIP Academy Grant<br>Texas Title I Priority Schools Grant (ARRA)                        |              |
|   | Dollar threshold used to distinguish between Type A and Type B programs: | \$3,306,915   |              |
|   | Auditee qualified as low-risk auditee?                                   | ___ Yes   | ___ X ___ No |



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|----------------|-------------------------------|
|----------------|-------------------------------|

|            |  |
|------------|--|
| None Noted |  |
|------------|--|

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2011-01

*Grant Employee Listing*

*Criteria:*

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations and contracts.

*Condition:*

During our audit, we found an instance where the employee was listed under a grant budget, however the payroll distribution reflected a local revenue source. In addition, we found an instance where the employee was listed under a grant budget but was no longer employed with the District.

*Questioned Cost:*

Questioned costs could not be quantified because the finding does not relate to specific dollar amount.

*Effect:*

The District is not reconciling the grant employee listing to the payroll distribution reports. In this instance, local money was being utilized for the payment of a grant funded employee.

*Recommendation:*

We recommend the District establish policies and procedures to ensure that grant departments reconcile their employee listing with the appropriate funding sources.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2011

Finding 2011-01

*Grant Employee Listing*

The District is currently in the process of establishing policies and procedures to ensure all departments cross-reference their employees with their appropriate funding sources.

Finding 2010-02

*Time and Effort Reports*

The District has already begun to study time and effort situation and is developing the necessary procedures. Procedures will be in place in time to ensure that this matter is not a questioned cost at the end of the fiscal year.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2011

Finding 2010-01

*Purchase Orders*

*Condition:*

During our testing of the capital assets additions, we found that the District did not prepare a purchase order for the acquisition of land. The land acquisition was board approved, however no purchase order was completed. Therefore, the District paid an invoice without proper authorization.

*Recommendation:*

We recommend the District adhere to its policies and procedures for the uses of purchase requisitions, purchase orders and purchase order modifications. These procedures will help ensure that only proper and authorized expenditures are paid and that a proper audit trail is maintained

*Current Year Status:*

During our testing of capital asset additions for the current year's audit, all transactions tested had the approved purchase order on file.

Finding 2010-02

*Time and Effort Reports*

*Condition:*

During our testing of compliance for Title I Part A and IDEA B federal programs, we found that the District did not prepare time and effort reports for employees which were paid from a federal contract.

*Recommendation:*

We recommend the District establish written policies and procedures for the preparation of time and effort reports and adhere to those policies. The District should implement effective time and effort reporting requirements to comply with laws, regulations and provisions of grant agreements.

*Current Year Status:*

During our testing of compliance for the current year under audit, we found 1 department did not have the necessary time and effort reports required.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

| <b>Federal Grantor/<br/>Pass-Through Grantor/<br/>Program Title</b>     | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass<br/>Through<br/>Entity<br/>Identifying<br/>Number</b> | <b>Federal<br/>Expenditures</b> |
|---|------------------------------------|---|---------------------------------|
| <b>U.S. DEPARTMENT OF DEFENSE</b>                                       |                                    |   |                                 |
| <i>Direct Programs:</i>   |                                    |   |                                 |
| R.O.T.C. (Note A)   | N/A                                | N/A   | \$ 391,480                      |
| USDA-DEPARTMENT OF DEFENSE  | N/A                                | N/A   | -                               |
| Total U.S. Department of Defense  |                                    |   | <u>391,480</u>                  |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                     |                                    |   |                                 |
| <i>Passed Through Texas Education Agency:</i>                           |                                    |   |                                 |
| Family Support Act AFDC Jobs 2011                                       | 93.558                             | 113625017110343   | <u>105,937</u>                  |
| Total CFDA Number 93.558  |                                    |   | <u>105,937</u>                  |
| Total Passed Through Texas Education Agency                             |                                    |   |                                 |
| Total U.S. Department of Health and Human Services                      |                                    |   | <u>105,937</u>                  |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                                     |                                    |   |                                 |
| <i>Pass Through Texas Education Agency:</i>                             |                                    |   |                                 |
| Federal Adult Education English Literacy & Civics Education Section 231 | 84.002A                            | 104100087110312   | 88,651                          |
| Federal Adult Education Section 231                                     | 84.002A                            | 104100017110276   | <u>495,270</u>                  |
| Total CFDA Number 84.002A   |                                    |   | <u>583,921</u>                  |
| ESEA Title I, Part A 2011   | 84.010A                            | 11610100031901  | 27,525,634                      |
| Title I - Texas Title I Priority Schools                                | 84.010A                            | 10610106711001  | 8,967                           |
| Title I-School Improvement Program 2011-Hanna                           | 84.010A                            | 11610104031901001   | 789,283                         |
| Title I-School Improvement Program 2011-Porter                          | 84.010A                            | 11610104031901002   | 1,739                           |
| Title I-School Improvement Program 2011-Pace                            | 84.010A                            | 11610104031901003   | 97                              |
| Title I-School Improvement Program 2011-Rivera                          | 84.010A                            | 11610104031901004   | 2,431                           |
| Title I-School Improvement Program 2010-Lopez                           | 84.010A                            | 10610104031901007   | <u>977</u>                      |
| Total CFDA Number 84.010A   |                                    |   | <u>28,329,128</u>               |
| ESEA Title I, Ed. For Migrant Child 2011                                | 84.011A                            | 11615001031901  | <u>2,255,856</u>                |
| Total CFDA Number 84.011A   |                                    |   | <u>2,255,856</u>                |
| IDEA B - Formula 2011   | 84.027A                            | 116600010319016600  | 7,252,581                       |
| IDEA B- Discretionary (DEAF) 2011                                       | 84.027A                            | 116600020319016673  | 225,227                         |
| IDEA B- Formula (DEAF) 2010   | 84.027A                            | 106600010319016601  | <u>26,826</u>                   |
| Total CFDA Number 84.027A   |                                    |   | <u>7,504,634</u>                |
| Carl Perkins Grant for Career & Technology Education 2011               | 84.048A                            | 11420006031901  | <u>1,058,943</u>                |
| Total CFDA Number 84.048A   |                                    |   | <u>1,058,943</u>                |
| IDEA B - Preschool 2010   | 84.173A                            | 106610010319016610  | 122,386                         |
| IDEA B- Preschool (DEAF) 2010   | 84.173A                            | 106610010319016611  | <u>2,123</u>                    |
| Total CFDA Number 84.173A   |                                    |   | <u>124,509</u>                  |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

| <b>Federal Grantor/<br/>Pass-Through Grantor/<br/>Program Title</b>  | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass<br/>Through<br/>Entity<br/>Identifying<br/>Number</b> | <b>Federal<br/>Expenditures</b> |
|--|------------------------------------|---|---------------------------------|
| ESEA Title IV, Part A Safe and Drug Free Schools & Communities 2011  | 84.186A                            | 11691001031901  | <u>114,713</u>                  |
| Total CFDA Number 84.186A  |                                    |   | <u>114,713</u>                  |
| 21ST Century Community Learning Center, Cycle 6 Year 2               | 84.287C                            | 106950137110009   | <u>805,914</u>                  |
| Total CFDA Number 84.287C  |                                    |   | <u>805,914</u>                  |
| ESEA Title II, Part D - Enhancing Education Through Technology 2011  | 84.318X                            | 11630001031901  | <u>87,597</u>                   |
| Total CFDA Number 84.318X  |                                    |   | <u>87,597</u>                   |
| Title I Part B SPI: Texas Reading First I-Capacity Building          | 84.357A                            | 096455117110002   | <u>2,612,901</u>                |
| Total CFDA Number 84.357A  |                                    |   | <u>2,612,901</u>                |
| ESEA Title III-Limited English Proficiency (LEP) 2011                | 84.365A                            | 11671001031901  | <u>1,547,269</u>                |
| Total CFDA Number 84.365   |                                    |   | <u>1,547,269</u>                |
| ESEA Title II, Part A-Teacher & Principal Training & Recruiting 2011 | 84.367A                            | 11694501031901  | <u>5,264,356</u>                |
| Total CFDA Number 84.367A  |                                    |   | <u>5,264,356</u>                |
| Title I-SIP Academy Grant 2010-Hanna                                 | 84.377A                            | 10610701031901001   | <u>906,161</u>                  |
| Total CFDA Number 84.377A  |                                    |   | <u>906,161</u>                  |
| Title II Part D-Technology\ (ARRA) 2010                              | 84.386A                            | 10553001031901  | <u>492,832</u>                  |
| Total CFDA Number 84.386A  |                                    |   | <u>492,832</u>                  |
| Texas Title I Priority Schools Grant (ARRA) Lopez                    | 84.388A                            | 105520017110010   | <u>2,352,644</u>                |
| Texas Title I Priority Schools Grant (ARRA) Pace                     | 84.388A                            | 105520017110011   | <u>5,106</u>                    |
| Total CFDA Number 84.388A  |                                    |   | <u>2,357,750</u>                |
| Title I-Part A (ARRA)  | 84.389A                            | 10551001031901  | <u>7,535,047</u>                |
| Total CFDA Number 84.389A  |                                    |   | <u>7,535,047</u>                |
| IDEA B - Formula (ARRA) 2010   | 84.391A                            | 10554001031901  | <u>5,752,624</u>                |
| Total CFDA Number 84.391A  |                                    |   | <u>5,752,624</u>                |
| IDEA B - Preschool (ARRA) 2010                                       | 84.392A                            | 10555001031901  | <u>151,170</u>                  |
| Total CFDA Number 84.392A  |                                    |   | <u>151,170</u>                  |
| Title XIV SFSF (ARRA) 2011   | 84.394A                            | 10557001031901  | <u>12,641,682</u>               |
| Total CFDA Number 84.394A  |                                    |   | <u>12,641,682</u>               |
| Total Passed Through Texas Education Agency                          |                                    |   | <u>80,127,007</u>               |



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

| <b>Federal Grantor/<br/>Pass-Through Grantor/<br/>Program Title</b>    | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass<br/>Through<br/>Entity<br/>Identifying<br/>Number</b> | <b>Federal<br/>Expenditures</b> |
|--|------------------------------------|---|---------------------------------|
| <i>Pass Through Educational Service Center Region 10:</i>              |                                    |   |                                 |
| ESEA Title III Subtitle B-Ed. For the Homeless Children and Youth-2011 | 84.387                             | 44013   | <u>50,915</u>                   |
| Total CFDA Number 84.196   |                                    |   | <u>50,915</u>                   |
| McKinney-Vento Homeless Education (ARRA)                               | 84.387                             | A09-023   | <u>37,478</u>                   |
| Total CFDA Number 84.387   |                                    |   | <u>37,478</u>                   |
| Total Passed Through Education Service Center Region 10                |                                    |   | <u>88,393</u>                   |
| <i>Pass Through The University of Texas at Edinburg:</i>               |                                    |   |                                 |
| GEAR UP (Gaining Early Awareness & Readiness for Undergraduate Pgms)-2 | 84.334                             | P334A050122   | <u>552,440</u>                  |
| Total Passed Through The University of Texas at Edinburg               |                                    |   | <u>552,440</u>                  |
| Total Department of Education  |                                    |   | <u>80,767,840</u>               |
| <b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>                         |                                    |   |                                 |
| <i>Passed Through Texas Education Agency:</i>                          |                                    |   |                                 |
| Food Distribution * (Note A)   | 10.550                             |   | 910,124                         |
| School Breakfast Program * (Note A)                                    | 10.553                             | 71401001  | 8,829,510                       |
| National School Lunch Program * (Note A)                               | 10.555                             | 71301001  | <u>19,688,366</u>               |
| Total Passed Through Texas Education Agency                            |                                    |   | <u>29,428,000</u>               |
| Total United States Department of Agriculture                          |                                    |   | <u>29,428,000</u>               |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                            |                                    |   | <u>\$ 110,693,257</u>           |





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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2011

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's ***Financial Accountability System Resource Guide***. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds, with the exception of funds for the R.O.T.C, the National School Lunch and Breakfast programs, School Health and Related Services (SHARS), Medicaid Administrative Claims (MAC) and the indirect cost revenues, were accounted for in a Special Revenue Fund which is a Governmental Fund type. The revenues received for the previously mentioned program were accounted for in the General Fund, which is also a component of the Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types and the Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Statement.
4. In accordance with TEA instructions, federal funds for the School Health and Related Services (SHARS) and Medicaid Administrative Claims (MAC) have been excluded from the Schedule of Expenditures of Federal Awards.



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